

Executive Summary

- Our Vision and Management
- Our Services
- Our Environmental Performance
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- Our Economic Performance
- Stakeholder Engagement
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The Sustainability Report 2008/09, Sustainability: Balance and Harmony, is our fourth Sustainability Report that reaffirms our commitment and effort in building a sustainable living environment while clearly depicting the Housing Authority (HA)'s sustainability performance. This report provides a detailed exposition of our sustainable management operations and achievements in our economic, social and environmental activities between the period 1 April 2008 and 31 March 2009 as well as our future plan towards sustainable development.

This report was developed with reference to the Global Reporting Initiative (GRI) G3 Guidelines and the GRI sector supplement for Public Agencies.

Our Vision and Management Approaches

The HA is a statutory body responsible for developing and implementing public housing programmes to meet the housing needs of families who cannot afford private housing in Hong Kong.

We provide affordable quality housing incorporating sustainable considerations to balance the economic, social and environmental needs and concerns of our stakeholders in housing development and management programmes in pursuit of performance



Chuk Yuen (North) Estate

Our Services

excellence and harmonious living environment.

We plan, build, manage and maintain different types of public housing, including rental housing estates, interim housing estates and transit centres. We also own and operate some flatted factories, ancillary commercial and other non-domestic facilities.



Hau Tak Estate

Our Environmental Performance

We set 29 environmental targets for the fiscal year 2008/09, ranging from air, greening and landscaping, noise control, waste management, energy efficiency, water conservation, material usage and control of hazardous materials. Of these targets, 28 were fully met and 1 achieved substantial progress. Our environmental performance for this year is outlined below:

Implementation of air quality improvement measures to improve air quality in offices, construction sites and estates:

- We conducted Air Ventilation Assessment in our new housing projects to enhance the air ventilation of the living environment.
- We introduced the techniques of modular design and hard-paving construction method to minimise the generation of dust on the construction sites.
- We installed de-odourisers at the covered refuse collection points to control odour at the time of refuse collection.

Enhancement of estate greening and landscaping to improve amenity comfort and the quality of our estates:

- We organised the programme "Action Seedling" for the third consecutive year to encourage residents, students and

community members to nurture the plants for future use in development projects.

- We planted about 7 600 trees, 687 700 shrubs and 97 700 annuals in our Public Rental Housing (PRH) estates and improve the existing landscaping in 18 estates covering 111 000 m².
- We installed vertical green panels and green roofs to enhance greening in our estates.
- We participated in the Hong Kong Flower Show 2009 and won the Grand Award for Design Excellence.



"Action Seedling" Community Participation Programme

Implementation of noise mitigation measures to minimise noise nuisance:

- We introduced noise mitigation measures like the use of hydraulic concrete crushers and prefabricated building elements in our new construction projects to further reduce the noise impacts upon our tenants and neighbouring community.
- We replaced 19 noisy high speed water pumps with quieter water pumps to reduce noise nuisance in PRH estates.
- There was no noise abatement notice received in 2008/09.

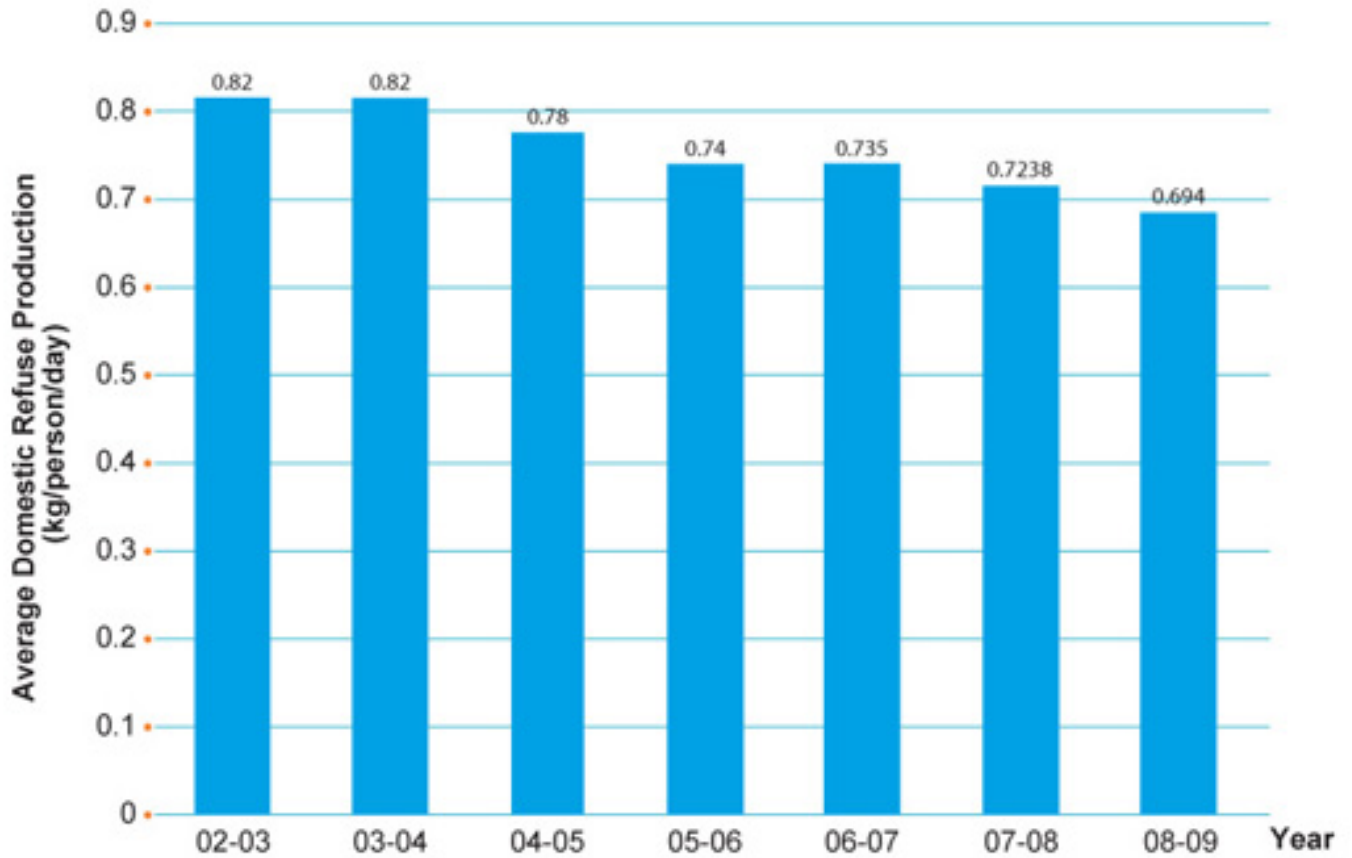
Implementation of waste management to minimise the waste generation and material consumption:

- We took effective measures in managing Construction and Demolition waste disposal.
- A total of 120 PRH estates have participated in the Programme on Source Separation of Domestic Waste (SSDW), whilst 1 estate won the Gold Award, 5 estates won the Bronze Award and 114 of them received Certificates of Merit from the Environmental Protection Department. Two of the above estates also received the Award for Co-operative Partnership.
- In 2008/09, we recovered over 14 000 tonnes waste paper, 490 tonnes aluminium cans, 930 tonnes plastic bottles

and 600 tonnes used clothes.

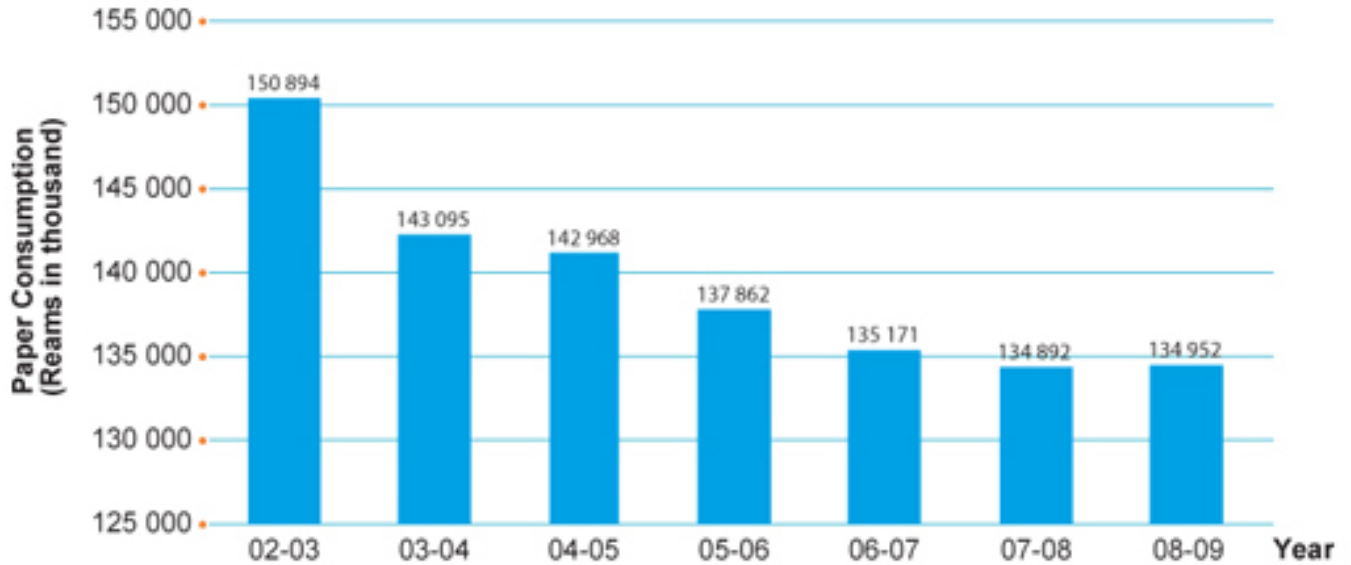
- The average domestic waste production of our residents in 2008/09 was 0.6940 kg/person/day, representing a 15.3% reduction as compared against 2002/03.

Average Domestic Refuse Production from Residents



- During 2008/09, only 134 952 reams of paper were consumed, which is lower than our target consumption rate set against 2002/03 by 10.6%.

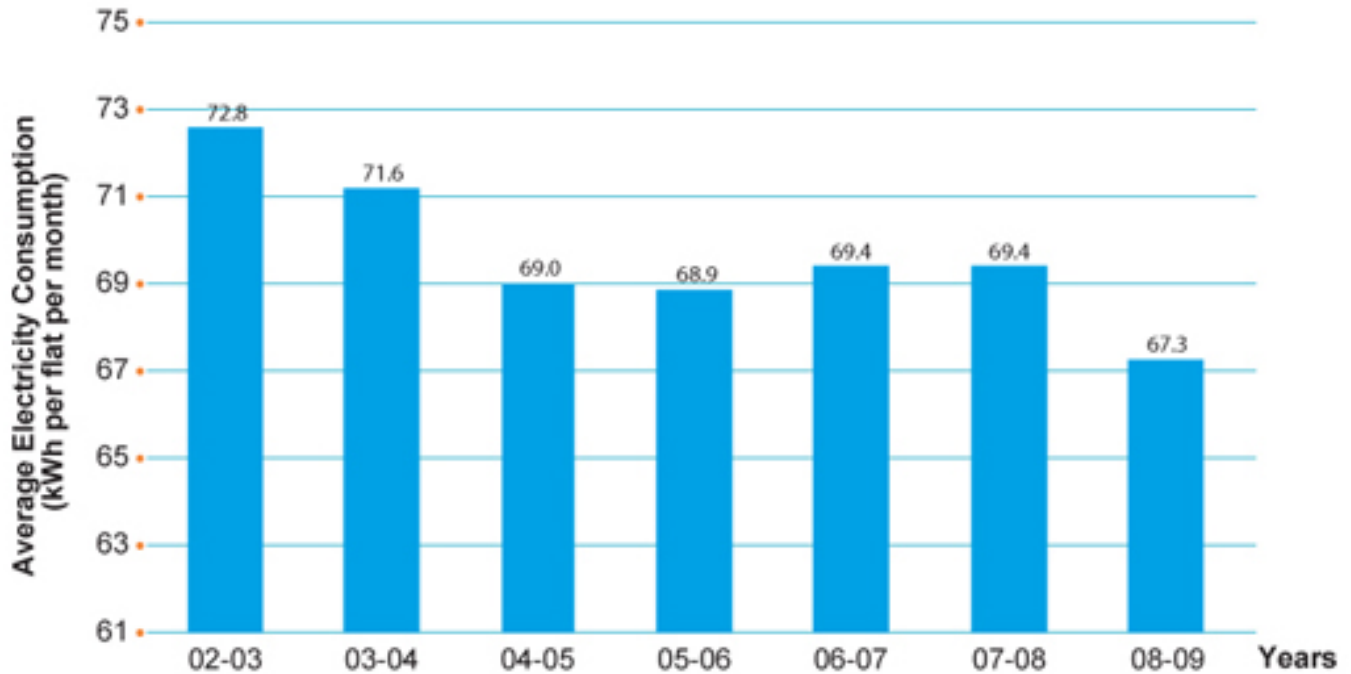
Paper Consumption in HA Offices



Utilisation of energy saving measures and appliances to reduce energy consumption:

- We have completed lighting modification works that optimised the use of daylight in all H-type blocks in 2008/09, with an overall expected electricity saving of 1 680 000 kWh per year.
- We installed a pilot photovoltaic system of 248 m² on the roofs of 3 domestic blocks in Lam Tin Estate to use renewable energy.
- We conducted carbon audits in our existing buildings to improve our performance in greenhouse gas emission.
- The electricity consumption in the public areas of domestic buildings decreased about 3%, from 69.4 kWh/flat/month in 2007/08 to 67.3 kWh/flat/month in 2008/09.

Electricity Consumption in Public Areas of Estates



Installation and utilisation of water reduction facilities to minimise water consumption:

- We trial run installation of collection systems in pilot projects to harvest rain water for irrigation to minimise water consumption.
- We have installed water saving facilities like dual flush cisterns and twin water tanks in pilot estates to investigate their effectiveness.

Utilisation of environmentally friendly materials to conserve resources

- We adopted reusable metal hoardings, metal formwork and prefabricated building elements to save about 26 000 tonnes of timber.
- We used pulverised fuel ash as a partial cement substitute on our construction sites and saved 32 000 tonnes of cement.
- We carried on with a pilot project using Forestry Stewardship Council certified doors in the construction of Eastern Harbour Crossing Phase 4.

Implementation of Micro-Climate Studies to improve natural environment for residents

- We applied the Micro-Climate Studies in the design and development of all our new buildings to provide a healthier and more comfortable living environment for residents.
- Our "Micro-Climate studies for Sustainable Public Housing in HK" won the "Highly Commended Architectural and Surveying Innovation Award" in the International Innovation and Research Awards organised by the Chartered Institute of Building of the United Kingdom.

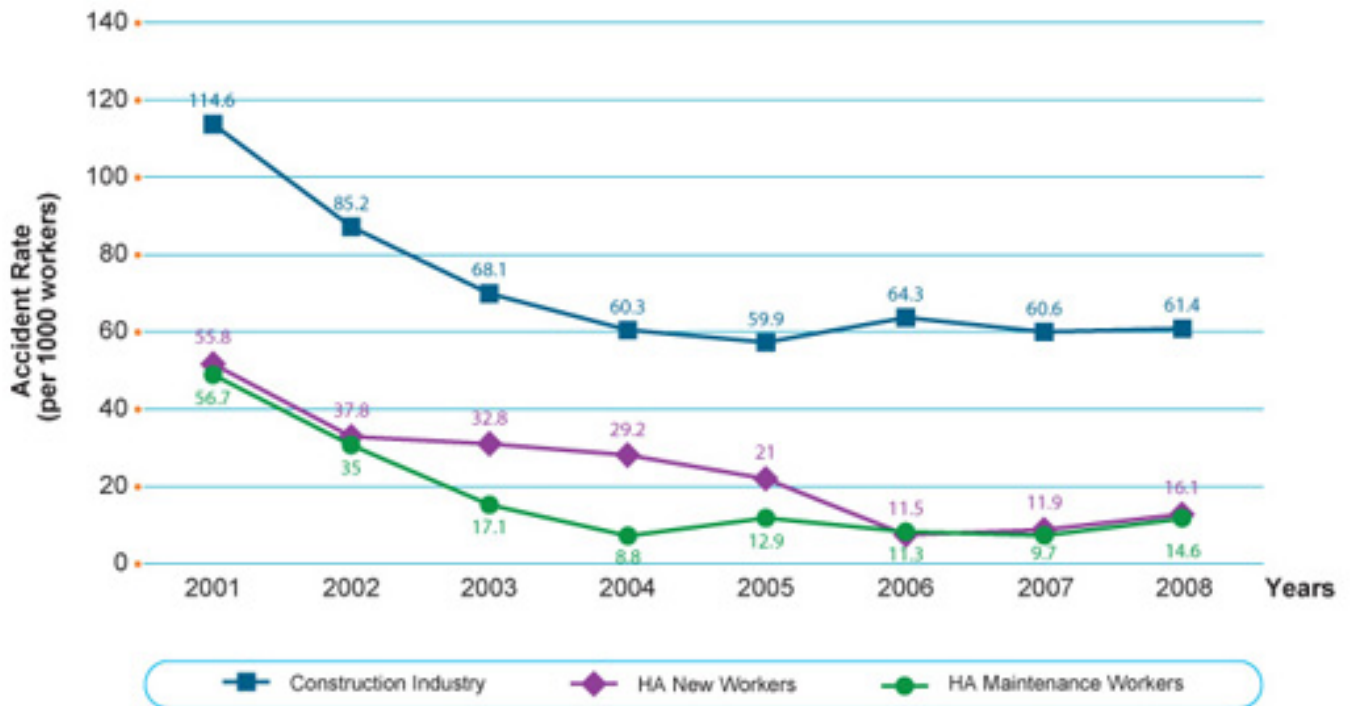
Our Social Performance

We set 11 social targets for 2008/09 covering safety, marking scheme and staff awareness. Of these targets, all of them were fully met. Our social performance during the year is highlighted below:

Implementation of effective safety measures during our construction and maintenance works to significantly mitigate the accident rate

- We continued to adopt the Performance Assessment Scoring System to assess, monitor and measure the performance of our contractors.
- We have introduced the programme of "Safety Coordinator, Safety Officer" for Building Works contractors and Property Service Agents to foster the site safety environment in PRH estates.
- The Fall Arrest Horizontal Life-line System has been incorporated to contractual agreements to reinforce the safety of staff working at height.
- Our accident rate for new works has reduced significantly from 55.8 per 1 000 workers in 2001 down to 16.1 in 2008. Throughout the year, two fatality cases were recorded.

Accident Rate for New Works per 1000 Worker Compared to Local Construction Industry Average



- We closely collaborated with the Fire Services Department to raise public awareness of fire safety. Over 90 fire drills and promotional activities were held in 84 estates during the year.
- We enhanced safety measures and organised the Lift and Escalator Safety Campaign to our residents in mid-2008, resulting in a 20% drop in lift and escalator accidents when compared against 2007/08.

Implementation of preventive measures to protect workers' right and wage payment

- We have strictly enforced the Demerit Point System and the electronic Facial Attendance System to further protect non-skilled workers from exploitation and violation of regulations.
- We continue to implement the provision of Labour Relation Officers to protect workers to foster timely payment of wage, as well as worker's rights and benefits.

Enhancement of housing quality to provide a comfortable living environment

- We continued to inspect and upgrade water supply systems, lifts, electrical wiring and drainage pipes in our housing blocks.

- We provided free Wi-Fi services at a further 45 PRH estates, thus making the service available in all PRH estates.
- We completed the second phase of upgrading work for communal aerial broadcast distribution systems to allow all tenants in PRH estates to enjoy digital terrestrial television broadcast services.
- We upgraded the Digital Closed Circuit Television systems in 37 estates to improve the quality of security.
- 1 030 families were re-housed through various transfer schemes to alleviate the overcrowding problem.
- 1 630 households, living with an internal floor area below seven m² per person, were re-housed to a more spacious accommodation under our Living Space Improvement Transfer Scheme.



We upgraded the Digital Closed Circuit

Television systems in 37 estates to improve

Implementation of hygiene and health initiatives to protect our residents

- We added a new misdeed - "water dripping from air-conditioner" - to the Demerit Point System for Estate Management Enforcement in PRH Estates.
- We carried out enforcement action to prevent spitting and littering in our estates and issued a total of 664 fixed penalty tickets to offenders in 2008/09.
- We continued to provide intensified cleansing and disinfection in combating diseases.
- We checked all hygiene black spots and eliminated all potential mosquito breeding grounds.
- We penalised the residents for boiling wax from melted candles in Mid-Autumn Festival to reduce the nuisance of and cause of fire.



A clean and green living environment is
conductive to good health

More than 500 verbal warnings and two fixed-penalty tickets carrying \$1 500 fines were issued.

Implementation of various initiatives to foster harmonious living

- We introduced different housing schemes to foster culture of care and mutual support in the neighbourhood.
- We launched the "Harmonious Families Priority Scheme" to encourage current tenants to relocate closer to their senior family members in order to provide instant help and support.



Fostering living with elderly through
Harmonious Families Priority Scheme

Provision of numerous training opportunities to enhance staff capability and development

- We provided flexible e-Learning platform and training to encourage self-learning among our staff.
- We launched the Office Safety Inspection Exercise to our workplace to ensure a good quality working environment to our staff.
- We conducted a wide range of classroom training activities for our staff. Staff were sent to attend different types of programmes according to their grades, career development needs and ability.



Training programmes are held to enhance
staff competencies

Our Economic Performance

We set 4 economic performance targets for 2008/09 covering rent adjustment, assistance and concession, vacancy rate minimisation, combating tenancy abuse and preventive maintenance, restoration and improvement. Among these targets, all of them are fully met. Our economic performance in this year is highlighted below:

Implementation of Rent Assistance and Concession Policy to support financial difficulties of tenants

- We introduced a new rent adjustment mechanism for PRH to adjust rents based on changes in tenants' household incomes.
- 11 960 families were paying reduced rents under Rent Assistance Scheme as at March 2009.
- We offered rent relief to retail and factory tenants as a quick response to the outbreak of the global financial crisis.

Implementation of various measures to optimise housing resources

- We allocated around 25 000 flats to Waiting List applicants.
- We have launched the 13th Express Flat Allocation Scheme to reduce the vacancy rates and maximise the use of our housing resource.
- We sold a total of 1 900 flats under the Sale of Surplus Home Ownership Scheme Flats Phase 4.



Sale of Surplus Home Ownership Scheme

Flats Phase 4

Implementation of various measures to enhance cost-effectiveness

- We continued to explore opportunities to improve the building design and construction technique to achieve cost-effectiveness of construction.
- We will carry out improvement works in Ping Shek Estate and Wah Fu Estate to prolong the life of the estates for the next 15 years since they are structurally safe.
- To ensure building quality, Independent Checking Unit provides third party monitoring and control of all new and existing HA developments and alteration works.

Stakeholder Engagement

We set 5 stakeholder engagement targets for 2008/09 covering communication, awareness raising and participation initiatives. All were fully met. Our stakeholder engagement performance for 2008/09 is highlighted below:

Provision of effective communication channels to enhance public understanding on housing information and services:

- We organised community engagement exercises including workshops and consultations to consolidate community views for improving the planning and design of PRH estates.
- We organised community greening activities to encourage tenants to embrace the environment.
- We continued to look for different means to communicate with our staff, tenants and stakeholders, such as launching the "Message on Air" and regularly publishing newsletters to enhance the public accessibility of housing information.
- We organised a series of education activities through the 'Green Delight in Estates' programme to raise the residents' environmental awareness.
- We arranged seminars, fire drills and publicity programmes to raise contractors, staff and residents' awareness of fire safety.



Community engagement workshop



"Green Living Carnival" under Green Delight in Estates

Provision of feedback mechanisms to seek views for improvement

- We arranged different channels such as Staff Opinion Survey and Staff Suggestion Scheme to enhance communication and feedback from staff.

- We conducted annual Public Housing Recurrent Survey to seek tenants' feedback for improvement. Tenants (at 78%) were most satisfied with the quality of security service among the aspects surveyed.

Way Forward

We have been endeavouring to fulfil our mission of providing sustainable living environment to our residents through functional solution and advancement. We have identified, and will commit to, various targets in 2009/10.

Our key targets are outlined below.

To continue promotion of sustainability issues

- We will launch a wide range of programmes to promote environmental awareness in our workplace, PRH estates and the community.
- We continue to conduct various initiatives to have active communication with our staff and obtain feedback to enhance operational effectiveness.

To enhance greening and landscaping

- We will increase the greening areas in estates gradually by introducing green treatments in different areas; and organising green programmes or activities such as tree planting and hydro-seeding.

To reduce noise nuisances

- We continue our on-going programme to replace noisy high speed water pumps with 1 500 rpm quieter water pumps to reduce noise nuisance in PRH estates.

To maintain our waste management practices

- We continue to facilitate and encourage more residents to separate their waste for recycling by implementing the Programme on SSDW in PRH estates.
- We will organize more publicity campaigns in estates to increase recovery rate of paper, aluminium cans, plastic bottles and used clothes.

- We continue to use environmentally friendly paper in printing of all publicity materials.
- We aimed to reduce generation of waste such as paper consumption in office.

To continue improvement on energy efficiency

- We continue to adopt the Building Energy Codes to design new building services installations and implement a number of electricity saving measures to reduce electricity consumption, such as commencement on the installation of "machine-roomless" lifts in our properties and shortening the operational hours of lighting and air-conditioners.

To reduce water consumption

- We continue to reduce water consumption by conducting trial schemes in new projects, using self-stopping or movement-sensing water taps, conducting a replumbing programme to minimise pipe bursting and leakage, and trial use of rain water for irrigation and general cleansing.

To uphold our social contribution

- We will continue to actively communicate with the stakeholders to promote better understanding of our policies and initiatives.
- We will conduct annual Public Housing Recurrent Survey to seek tenants' feedback for improvement.

To lessen safety risk

- We continue to tighten monitoring of contractors with high accident rates as well as the control measures for high-risk operations on site to improve the safety of operations with potential health and safety risks.
- We will maintain and raise high safety standards in the workplace by regularly monitoring and reviewing the performance of contractors, implementing several site safety assessment items and constantly meeting with the government departments to ensure the safety performance is up to standard, and improvement will be introduced if necessary.

To enhance our economic performance

- We will continue to minimise the vacancy of PRH estates.
- We will continue to implement the new rent adjustment mechanism.
- We will continue to carry out tenancy control and education campaign to combat tenancy abuse.
- We will conduct the assessment of old estates to enhance the old estates' preventive maintenance and restoration.

Message from the Chairman

It is my pleasure to present the 2008/09 Sustainability Report. Since its establishment in 1973, the Housing Authority has endeavoured to provide affordable public housing to the needy. We strive not only to provide living accommodation; but also quality management, maintenance and other housing-related services to our tenants. This Report gives an account of our efforts made during the year in achieving our sustainability mission.



Given the financial crisis, 2008/09 was a difficult year for Hong Kong. We have fast tracked various construction and maintenance programmes to improve the facilities and environment of our estates as a responsible stakeholder. We have also launched activities that foster closer family ties and stronger community links to provide support for our tenants.

As a positive move to deal with climate change, we have implemented measures to reduce our carbon footprint and begun pilot carbon auditing programmes. We are glad that the *Micro-Climate Studies for Sustainable Public Housing in Hong Kong* received the "Highly Commended Architectural and Surveying Innovation Award" in the International Innovation and Research Awards organized by the Chartered Institute of Building of the United Kingdom.

As Chairman of the Housing Authority, I would like to take this opportunity to thank the management and staff of the Housing Department for their dedication. I also need to thank members of the Authority for their hard work.

The Authority could not have honoured its objectives without all of their efforts.

Looking ahead, we will continue to engage our tenants, colleagues, business partners and other stakeholders with a view to providing quality public rental housing to the needy in a sustainable manner.

Eva Cheng

A handwritten signature in blue ink, appearing to read 'Eva Cheng', with a stylized, cursive script.

Chairman

About this Report

- Report Scope
- Criteria
- GRI Content Index

This Sustainability Report 2008/09 (Hereinafter "this Report"), "Sustainability: Balance and Harmony" is the fourth Sustainability Report published by the Hong Kong Housing Authority. It describes our commitments and efforts in building a sustainable living environment, fostering harmonious and caring communities for our residents. It also provides a detailed account of our activities within the framework of sustainability management in the three areas of economic, social and environmental activities. In addition, this Report describes our management performances and presents future plans.

Report Scope

This report represents an annual review of HA's sustainability practices and achievements from 1 April 2008 to 31 March 2009 for public rental housing estates owned by the HA, and for new developments under planning and construction. There were no joint ventures or subsidiaries operated by the HA. There was no significant change in the size, structure, scope of work and ownership of the HA during the reporting period. There are no specific limitations on the scope of the report.

Statistics, presented as absolute figures, have been normalised into comparable terms where appropriate and practical. All numbers are as at 31 March 2009, unless otherwise stated. All monetary values are in Hong Kong Dollars. Information provided in our earlier sustainability reports is not restated herein.

Criteria

This Report is produced with reference to the Global Reporting Initiatives (GRI) G3 Guidelines and the GRI sector supplement for Public Agencies.

As part of our commitment to continually improve our sustainability reporting, we have prepared this year's report with reference to GRI-checked "A+" application level. A GRI Content Index is provided for easier reference with corresponding GRI indicators denoted in each section.

To enhance the Report's credibility, we have engaged an independent verifier to examine its completeness, accuracy and reliability. Verification result is summarised in the [Assurance and Verification Section](#).

Along the years, we have successfully identified our diverse stakeholder groups. Key stakeholders include tenants and homeowners in our estates, business partners, our staff members, government colleagues, non-governmental organisations (NGOs), green groups, media and the public. We have proactively engaged them to consolidate their views and concerns, and react appropriately. This Report is arranged in response to their interests, with an emphasis on how we create harmonious living environment for our residents. Feedback on our last sustainability report has also been provided in this report.

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Remarks:

4.3 - In HA, it does not adopt unitary board structure. Also, all members are appointed by the Chief Executive.

EN17 - No measurement mechanism is in place as we have captured major direct and indirect emission. But

we will consider providing information in future reports by mid-term.

EN19 - Materials specified for use in building services installations such as refrigerants and fire-extinguishing agents shall comply with the Ozone Layer Protection Ordinance.

EN20 - No measurement mechanism is in place as we do not generate significant NO_x, SO_x emissions.

EN30 - No mechanism to separately capture environmental protection expenditures and investments. We would consider to provide information in future reports by short-term.

LA5 - Following HA's internal circulars, no minimum notice period is required. But staff are informed and consulted regarding significant changes beforehand, and notices are issued as soon as possible.

HR1 - Significant investment agreements do not include human rights clauses or undergo human rights screening. But we will consider to provide information in future reports by long-term.

HR2 - No measurement mechanism in place as it is not a formal practice in local public agency, but hiring of illegal immigrants is prohibited under statute, and we award projects only to contractors with no criminal record in hiring illegal immigrants. All contractors are closely monitored on their convictions of employing illegal immigrants and incidents on wage disputes.

SO8 - No record of significant social non-compliance.

PR9 - No record of significant fines for non-compliance with product responsibility.

EC2 - No mechanism to separately capture total environmental expenditure in 2008/09, particularly related to reduction of greenhouse gas emissions. We would consider to provide information in future reports by mid-term.

EN23 - No record of significant spillage in our construction sites/estates.

LA10 - There is no measuring mechanism in place for training hours per employee. But, we would consider to provide information in future reports by short-term.

2008 Highlights

- Our Environmental Performance
- Our Social Performance
- Our Economic Performance
- Stakeholder Engagement
- Our Achievements and Awards

Our Environmental Performance

- A total of 120 Public Rental Housing (PRH) estates participated in the Programme on Source Separation of Domestic Waste and our targets for recovery of paper, aluminium cans and plastic bottles were all met.
- The average domestic waste production of our residents in 2008/09 was 0.6940 kg/person/day, 15.3% reduction as compared against 2002/03.
- Achieved 3.0% reduction in the average energy consumption for public areas in all of our domestic blocks when comparing with 2007/08.
- Planted about 7 600 trees, 687 700 shrubs and 97 700 annuals in PRH estates, and improved landscape design in 18 PRH estates covering a total area of 111 000 m² under the Landscape Improvement Programme.
- By replacing cement with Pulverised Fuel Ash (PFA) in the concrete mixes, we saved 32 000 tons of cements, and hence reduced carbon dioxide emission by about 7 000 tons.
- Commenced carbon audits on five of our buildings in August 2008.
- Electricity consumption for our headquarters, offices and other premises was 615 172 000 kWh in 2008/09, 0.82% less than our consumption in 2007/08, equivalent to saving 3 500 tonnes CO₂e of greenhouse gas emissions.

Our Social Performance

- Accident rate at our sites was 16.1 injuries per 1 000 workers, significantly lower than the overall construction industry rate of 61.4.

- Fall Arrest Horizontal Life-line System (FAS) has been incorporated at 162 domestic blocks with slanting canopies in 31 estates to ensure safety of working at height.
- Improvement in the number of lift and escalator accidents was recorded, which dropped by 20% when compared against the same period in 2007, after enhancement of safety measures including publicity and education programmes to residents.
- Re-housed 1 030 families and reduced the total number of overcrowded households from 4 340 to 3 730 through a number of transfer schemes.
- 1 630 households, living with an internal floor area below seven m² per person were, re-housed to a more spacious accommodation under the Living Space Improvement Transfer Scheme.
- Around 17 000 units in 17 estates were rewired and fitted with upgraded socket outlets under the Rewiring inside Domestic Flats Programme.
- Completed the upgrade of the communal aerial broadcast distribution system, all our tenants are now able to enjoy digital terrestrial television broadcast.
- Provided free internet access through Wi-Fi services at communal access points in all PRH estates.
- Conducted Public Housing Survey, satisfaction level concerning the security services was at 78%, which was the highest among aspects surveyed.
- Conducted 14 114 raids and 176 joint operations with other government departments against illegal cooked food hawkers to improve hygienic conditions in our housing estates.

Our Economic Performance

- Implemented a series of measures such as reduction of on-demand bonds in foundation and new works contracts as well as shortening the payment period to alleviate financial difficulties experienced by our contractors.

- HA's funds available for investment stood at HK\$56 375 million, an increase by HK\$828 million as compared against 31 March 2008.
- Offered rent relief to retail and factory tenants in response to the outbreak of the global financial tsunami.
- Conducted over 6 800 investigation cases of suspected tenancy abuse to determine tenant eligibility for subsidised housing.
- The rate of rental arrears fell from 3.5% to below 3% during the year in view of our expanding rent collection networks.
- Expanded the rent enquiry hotline service with the establishment of the internet service to enable tenants to assess their rent payment in a convenient manner.
- Sold around 59% surplus Home Ownership Scheme (HOS) flats offered under Phase 4 in 2008 to eligible applicants.
- Construction costs for our superstructures were in general some 36% lower than similar projects in the private sector.

Stakeholder Engagement

- Organised a series of five partnership symposiums with around 1 700 participants, bringing Estate Management Advisory Committees (EMACs) and NGO members in the local community together to provide help and support to local neighbourhood.
- Launched "Messages on Air" which broadcast 32 messages covering a wide range of our policies and initiatives over radio channels to enhance our transparency.
- Organized community workshops for major Public Rental Housing Development Projects to enhance community participation at the planning and design stages.
- Produced over 40 videos to promote safe use of estate facilities, healthy living, green practices as well as schemes of interest.

- Received 66 local and international delegations from governments, housing bodies, academic institutions and related professional organisations to share experiences and exchange ideas on housing matters with visitors from around the world for improving our performance.
- About 6 000 residents have been recruited as Green Estate Ambassadors to spread green messages in their estates under the Green Delight in Estates programme.
- 44 sessions of focus group discussions with residents of Total Maintenance Scheme (TMS) estates were arranged and 25 sessions of TMS seminars were held for estate staff and contractors to foster to build up partnering working relationship amongst residents, staff and contractors.

Our Achievements and Awards

- Our "Micro-Climate studies for Sustainable Public Housing in HK" won the "Highly Commended Architectural and Surveying Innovation Award" in the International Innovation and Research Awards organized by the Chartered Institute of Building of the United Kingdom.
- Our Site Supervisory Team of "Foundation for Redevelopment at Tung Tau Estate Phase 9" won a merit award in the "Considerate Contractors Site Award Scheme 2008" organised by the Development Bureau.
- Our Mobile Application System on Housing Management received Bronze Award in the Best Public Service Application (Transformation) Award at the Hong Kong ICT Awards 2008 (Official announcement in 2/ 2009).
- The Housing Department received a world-class software process quality certification - the Capability Maturity Model Integration (CMMI) Maturity Level 3 (ML3) issued by the Software Engineering Institute of the Carnegie Mellon University.
- We were the Winner of Grand award for Design Excellence (Landscape Display) in the theme of "Harmonious Garden" in 2009 Flower Show organised by the Leisure and Cultural Services Department (LCSD).
- We were awarded the "Class of Excellence Wastewi\$e Label" of the Hong Kong Awards for Environmental

Excellence organised by the Environmental Campaign Committee.

- The Housing Authority / Housing Department Web Site (www.housingauthority.gov.hk) got a Gold Prize in the 2008 Web Care Award organised by the Internet Professional Association.
- The Housing Department was awarded as a 'Caring Organisation' (2008/2009) by the Hong Kong Council of Social Service.
- The final phase of Kwai Chung Estate won the commendation in the Joint Structural Division Special Award 2008, co-hosted by the HK Institution of Engineers and the United Kingdom's Institution of Structural Engineers.

About the Housing Authority

- Our Vision
- Our Role and Services
- Support and Participation
- Significant Aspects

The Hong Kong Housing Authority (HA) is a statutory body established in April 1973 under the Housing Ordinance (Chapter 283). The HA develops and implements a public housing programme which seeks to achieve the Government's housing policy objective of providing subsidised public housing to families who cannot afford private rental accommodation in the territory.

Our Vision

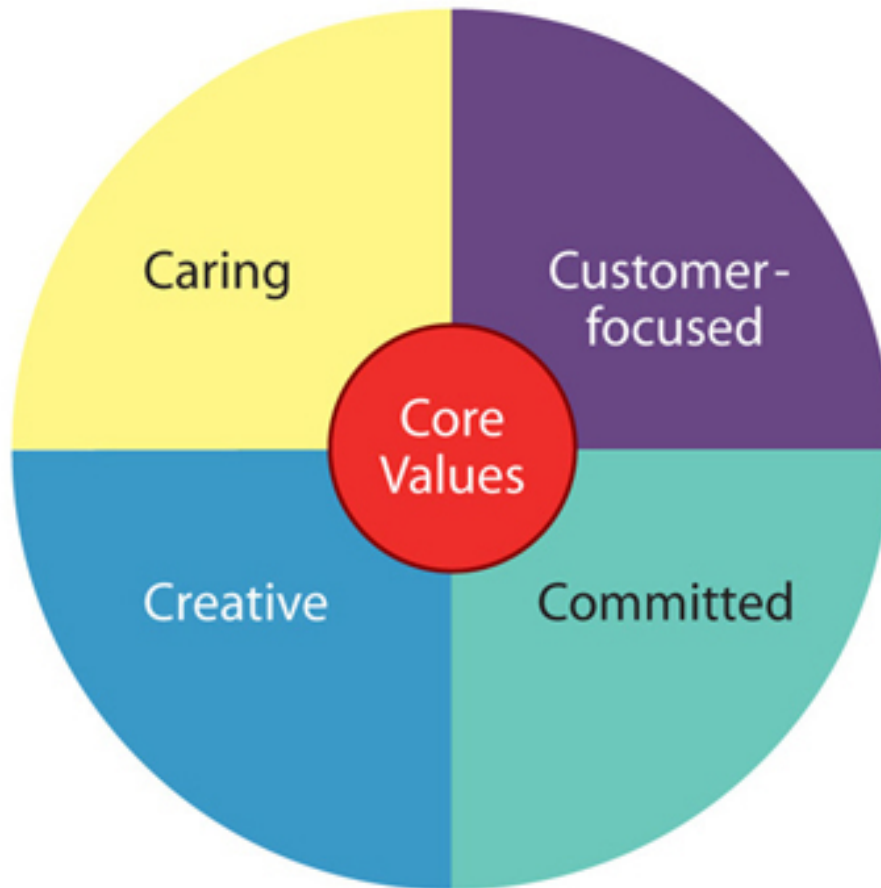
Vision

- To help all families in need gain access to adequate and affordable housing.

Mission

- 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;
- To ensure cost-effective and rational use of public resources in service delivery and allocation of housing assistance in an open and equitable manner; and
- To maintain a competent, dedicated and performance-oriented team.

Core Values



Our Strategy for Sustainable Construction:

To progressively achieve sustainable development in public housing which balances environmental, social and economic needs with a view to attaining healthy living, sustainable construction and enhancement of the total urban environment.

Our sustainability priorities are:

Environmental

The HA is committed to properly manage and reduce the consumption of resources in our daily operations, especially in relation to waste reduction and energy use. We are also committed to introduce environmentally friendly methods to further reduce overall environmental impacts arising from our planning, development, management and maintenance processes.

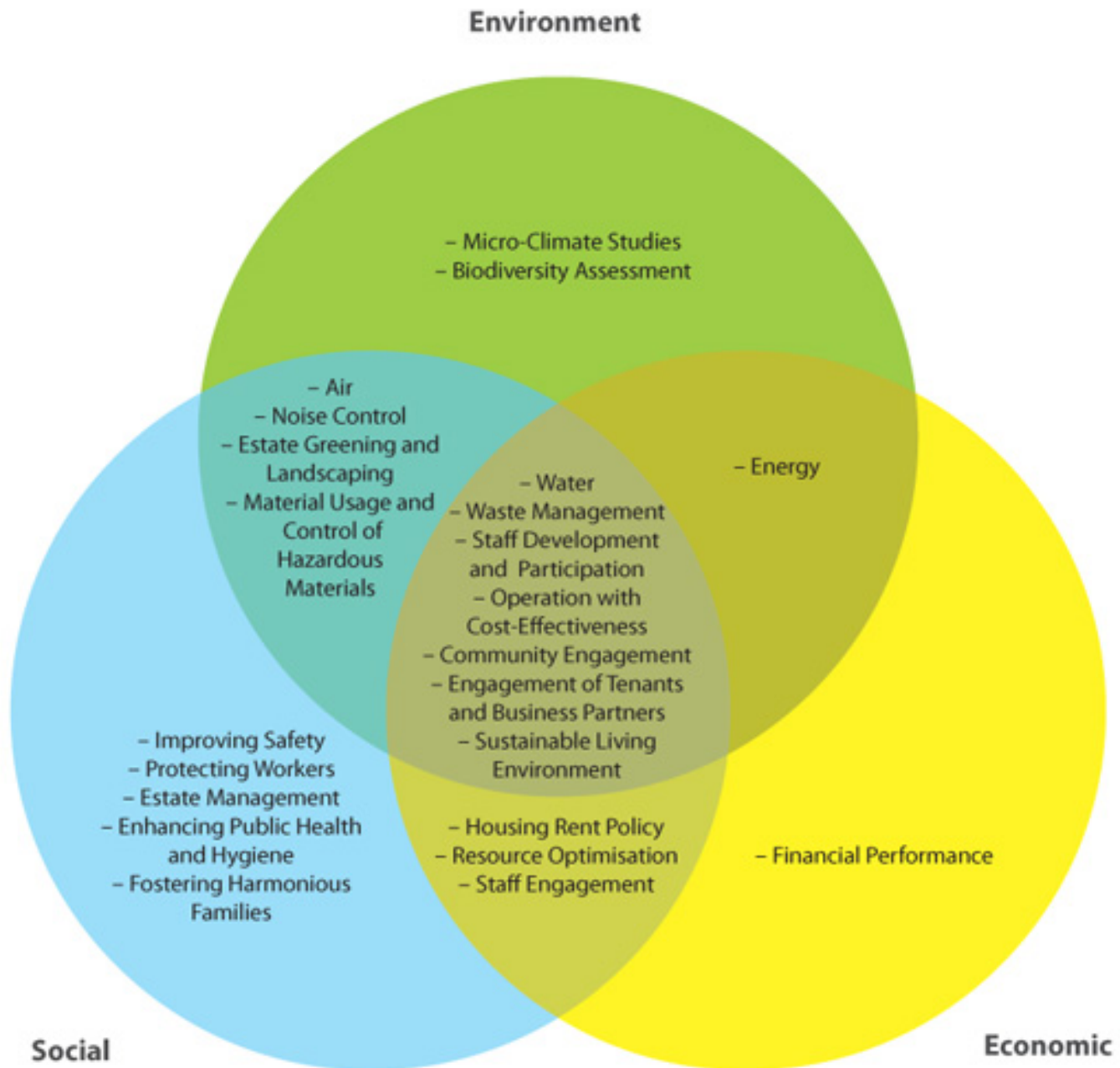
Social

The HA is committed to prioritise the public housing to those who need it the most. We are also committed to provide a safe, hygienic and affordable living environment to our tenants and make our public housing estates a better and comfortable place to live in. In addition, we seek to become a role model in providing a safe and healthy working environment for our business partners who are involved in our housing development and management services. We endeavour to enhance social cohesion and contribute to the well-being of society as a whole.

Economic

The HA is committed to adopting cost-effective and economically-viable approaches in all aspects of our public housing programme. These can be achieved through a number of measures, including optimisation of the HA's resources, prevention of the abuses of public housing and extension of the useful life of our existing buildings.

HA's operation in relation to each of the sustainability component is depicted in the following figure.



Our Role and Services

The HA formulates housing development strategies and oversees strategic planning and implementation of the public housing programme in Hong Kong. We plan, build, manage and maintain different types of public housing, including rental housing estates, interim housing estates, and transit centres. We also own and operate some flatted factories, ancillary commercial and other non-

domestic facilities.

Housing Stock and Production

In building and construction of new estates, we enjoyed a satisfactory year. We have completed a total number of 19 050 new flats in eight estates namely Ching Ho Estate in Fanling, Mei Tin Estate in Sha Tin, Un Chau Estate in Sham Shui Po, Yau Lai Estate at the Eastern Harbour Crossing, Upper Ngau Tau Kok Estate, Lam Tin Estate, Choi Ying Estate and Sau Mau Ping Estate in Kwun Tong. At the end of March 2009, the total housing stock stood at around 694 000 units in 195 estates and courts.



Under our current five-year construction programme, production between 2009/10 and 2013/14 is forecasted at a total of 74 000 new flats or an average of around 15 000 new units a year.

Commercial Properties

In addition to the existing some 159 240 m² of commercial and retail properties; and 27 000 car parking spaces, we have also added another 2 100 m² of retail spaces as well as 220 parking spaces at both Choi Ying Estate and Upper Ngau Tau Kok Estate.

Infrastructure

To fulfil the needs of our tenants and provide a convenient and living environment, associated infrastructure/ facilities such as footbridges, public transport terminals/hubs, gardens, community centres are the essential elements that we considered during planning and development of Public Rental Housing (PRH) estates.

Support and Participation

Internally, during our daily operations, we have maintained close working relationships with other government departments. As a public housing agency for the Government, we provide professional advices and undergo internal governance process to implement our public housing programme.

Externally, we always support community voluntary initiatives to contribute our efforts in the sustainable

development of Hong Kong.

Significant Aspects

We understand that our operations in building construction and estate management have significant environmental, health, safety and community impacts. To avoid, minimise and mitigate significant impact arising from our daily operations, we have proactively followed the "plan-do-check-act" principle to implement a comprehensive management system. Our senior management will actively review public and stakeholder concerns through Senior Official Meeting and different customer satisfaction surveys to sense the pulse of the community.

Major potential significant aspects related to our operations include:

	Office	Construction	Management and Maintenance	Demolition
Significant Environmental Aspects				
Site Identification and Land Use		✓		
Air Emission		✓	✓	✓
Noise Emissions		✓	✓	✓
Energy Efficiency	✓	✓	✓	
Water Conservation and Discharge	✓	✓	✓	✓
Material Selection and Usage	✓	✓	✓	
Hazardous Materials		✓	✓	✓
Waste Management	✓	✓	✓	✓
Estate Greening		✓	✓	
Significant Health and Safety Aspects				
Indoor Air Quality	✓		✓	
Environmental Hygiene	✓	✓	✓	✓
Building Accessibility	✓		✓	✓
Occupational Hazards and Risks	✓	✓	✓	✓
Ergonomics	✓	✓	✓	✓
Other Health and Safety Concerns	✓	✓	✓	✓
Significant Social Aspects				
Employee Development	✓			
Supply Chain Management		✓	✓	✓
Significant Economical Aspects				
Cost-effectiveness	✓	✓	✓	✓
Housing Resources Management	✓		✓	

Governance Structure & Management

- Our Governance Structure
- Housing Department's Environmental, Health and Safety Committee
- Our Management Approaches
- Employee Management

Our Governance Structure

As at March 2009, the Housing Authority (HA) has four official members and 26 non-official members.

Appointments were made by the Chief Executive. The Secretary for Transport and Housing was appointed Chairman of the HA since 1 July 2007 and the Director of Housing is the Vice-chairman.

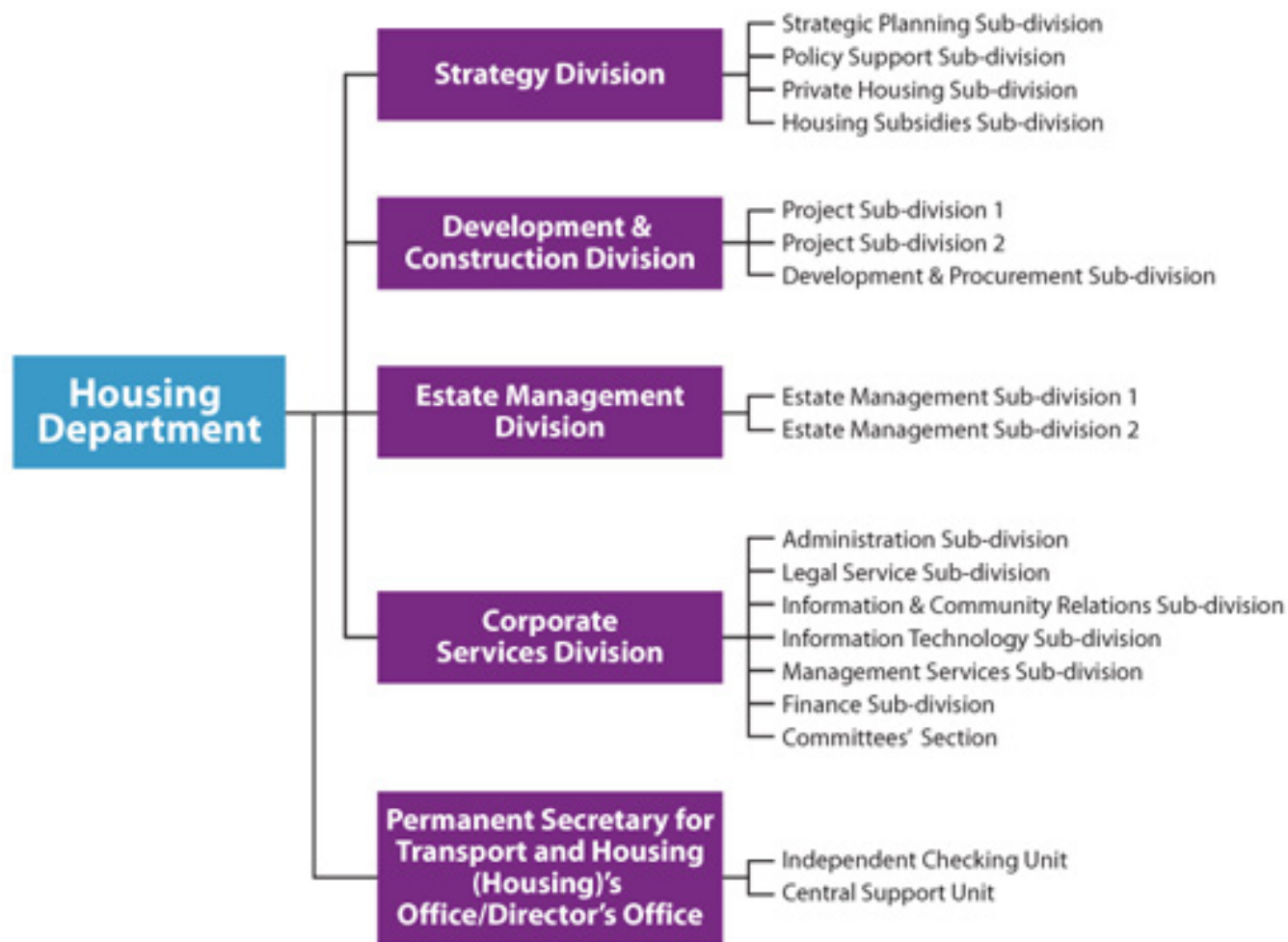
The HA is in charge of the development and implementation of the public housing programme in Hong Kong. Six standing committees have been formed under the HA to formulate, administer and oversee policies in specific areas including building, commercial properties, finance, strategic planning, subsidised housing and tender. Sub-committees and ad-hoc committees are also formed when needed. The Housing Department (HD) acts as the executive arm of the HA in implementing its policies and those set by its standing committees. The HD is headed by the Permanent Secretary for Transport and Housing (Housing), who also assumes the office of the Director of Housing.

Organisation Chart of HA's Committees and Sub-committees



The HD has four operation divisions to support the implementation of HA's policies in housing strategies, overall housing administration, development and construction, and estate management.

Organisation Chart of Housing Department



Housing Department's Environmental, Health and Safety Committee

The Housing Department's Environment, Health and Safety Committee (HDEHSC) is responsible for the development and formulation of policy direction on Environmental, Health, Safety (EHS) and sustainability issues within the Department. Effective management of the overall departmental environmental, safety and health issues is supported by the following three sub-committees:

- The Housing Department's Environmental Sub-committee - assists the HDEHSC in overseeing the progress and performance of environmental initiatives and action plans in the Department.
- The Housing Department's Occupational Safety and Health Sub-committee - assists the HDEHSC in overseeing

the occupational health and safety of the employees at their workplaces.

- The Housing Department's Site Safety Sub-committee - assists HDEHSC in overseeing site safety management measures for Works contracts.

Our Management Approaches

Our management approaches have been developed with the aim to sustainably manage the housing developments, services and resources within the HA. Various policies on Environment, Safety, and Procurement have been developed to set goals and objectives for sustainable management and targets for continual improvement.

Environmental Policy

- To promote healthy living and a green environment;
- To develop a strategic framework and implement environmental management for the promotion of sustainable development;
- To strictly comply with and fully implement all relevant environmental legislation and regulations;
- To address environmental concerns and incorporate environmental initiatives in planning and design, construction and demolition, marketing and estate management activities;
- To minimise environmental impacts from our operations (air, dust, noise, waste and water) on residents and the public;
- To develop procurement policies to minimise the use of resources and achieve cost effectiveness;
- To promote environmental awareness and participation among staff, residents and contractors through education and publicity programmes; and
- To review and seek continual improvement on the implementation of an environmental management system.

Safety Policy



- To provide information on safety and health criteria in new projects and maintenance operations for contractors, the public and other key stakeholders;
- To make safety and health performance one of the critical considerations in tender selection for all new and existing building projects;
- To build up a safety profile of contractors for continuous assessment of safety performance;
- To monitor contractor's performance by independent and in-house assessment;
- To work through partnership by incorporation of contractors' input in respect of safe construction technology and equipment; and
- To promote safety and health issues particularly related to HA projects to enhance the safety and health of all persons involved.

While adhering to the Government Procurement Agreement and HA's procurement policies and instructions, we have continued to enhance our procurement system to maintain a fair, open, equitable policy to ensure we can procure products with best value for money. We have no preference on locally-based or overseas suppliers.

We have regularly reviewed our procurement strategies, contractors list management, performance monitoring systems and manage our risks in all contracts we procured. Furthermore, we encourage our staff to support green procurement practices by employing environmentally friendly products and services where practicable and economically viable. All staff are required to observe our Environmental Procurement Policy whenever for the products and services and purchased.

Environmental Procurement Policy

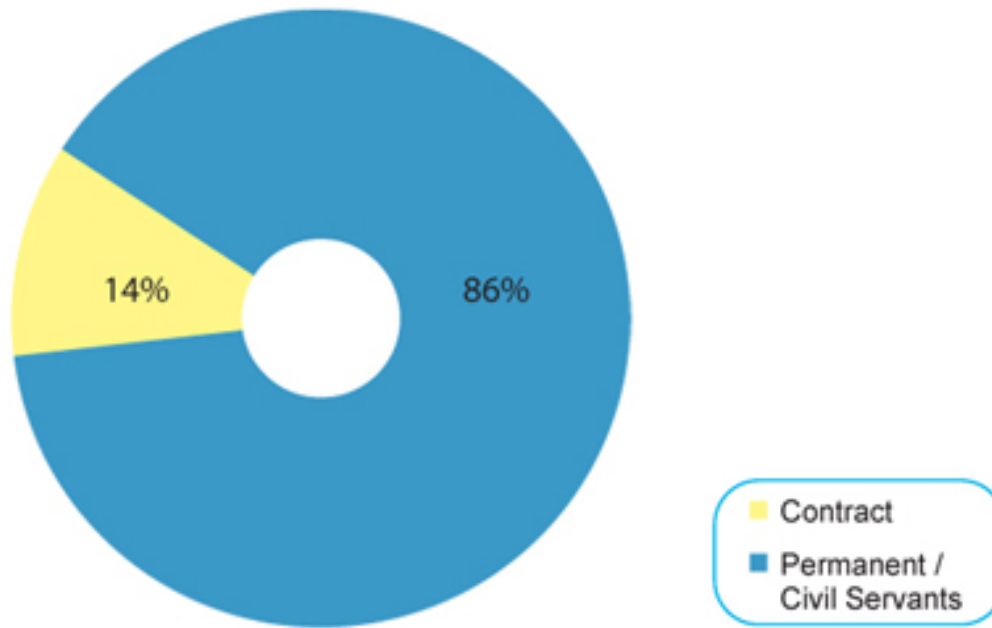
- To identify significant environmental impacts of materials and services in use;
- To purchase materials, goods and services to specifications that are compliant with relevant environmental legislation;

- ▣ To include environmental considerations in our purchasing decisions so that, if technically acceptable and economically viable, lower environmental-impact goods are purchased;
- ▣ To assess the environmental commitment of suppliers, contractors and service suppliers as part of the tender evaluation process, and to reward the best environmental performers;
- ▣ To require contractors and service providers (where appropriate) to produce Environmental Management Plans in their bids for work, and to evaluate the evidence of implementation as part of the supervision of the works;
- ▣ To provide feedback and advice, and facilitate training to key suppliers, contractors and service providers on environmental performance and improvement opportunities;
- ▣ To ensure all staff, as well as suppliers, contractors and service providers are aware of, and act in accordance with, the Environmental Procurement Policy and contribute to the HA's environmental objectives; and
- ▣ To establish systems, targets and action plans for effective environmental procurement and regular reporting on performance.

Employee Management

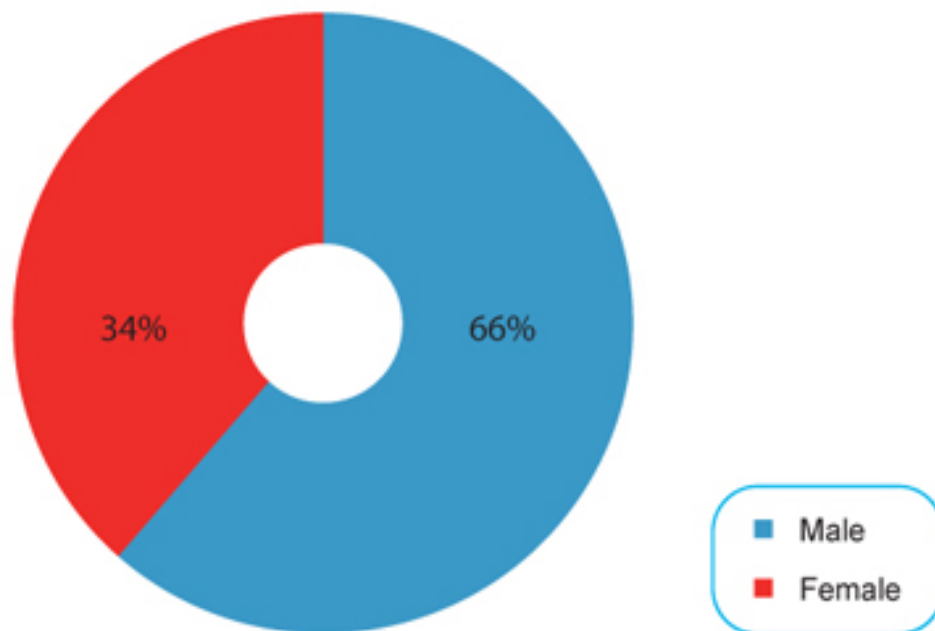
As of March 2009, we had a total of 8 367 staff, including 7 194 permanent/civil servants and 1 173 contract staff, representing approximately 4.7% reduction from the previous year.

Breakdown of Staff by Employment Type

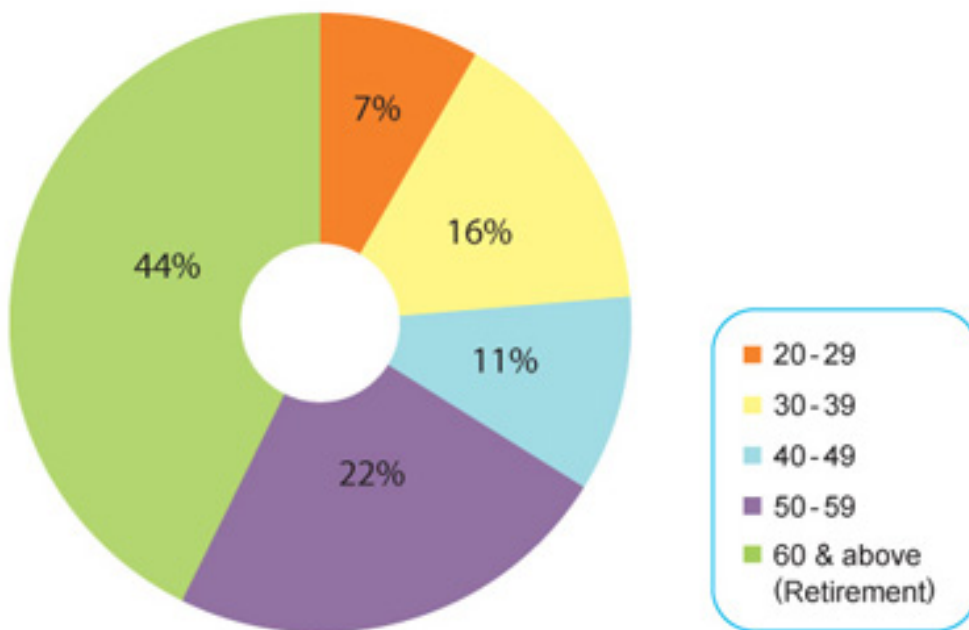


For our staff composition, the breakdown of staff by gender and the breakdown of staff turnover by age group for male and female are presented below respectively.

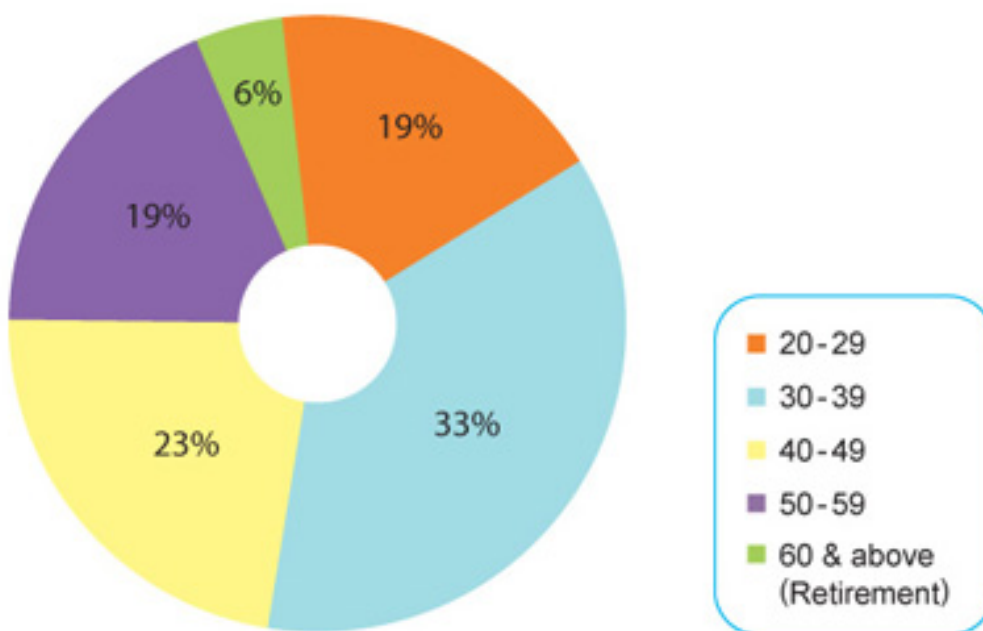
Breakdown of Staff by Gender



Breakdown of Staff Turnover by Age Group (Male)



Breakdown of Staff Turnover by Age Group (Female)



Staff Appointment and Appraisal System

In accordance with Article 99 of the Basic Law, new recruits appointed to the Civil Service on or after 1 July 1997 must be permanent local residents. All HA's senior staff (at D2 rank and above) are permanent Hong Kong residents.

In general, staff remuneration depends on the terms of employment and job grades. For civil servants, their remunerations follow the civil service pay scales and the related annual pay adjustment exercise. For contract staff, they follow the HA pay bands and their base salaries are adjusted annually based on pay trend movement of the market. A review of the remuneration package for contract staff was conducted in the year 2008/09 to ensure alignment with the market level.

Individual's performance of staff is assessed through a 3-level staff appraisal system. In order to motivate good performance, civil servants may receive one increment annually in his respective rank scale, while contract staff may be granted a one-off merit payment annually.

All senior officers at D2 rank and above in Housing Department are civil servants and their appointments are governed by the Civil Service Regulations and subject to the approval of the Public Service Commission.

New Manpower Strategy

In building a lean and dynamic workforce, we evaluate our requirements regularly to make sure we have the necessary systems in place to meet our new demands and challenges. During the year, we were able to make significant progress in this direction with our new Manpower Strategy, which helped to establish a vibrant, flexible and sustainable workforce under a harmonious working environment.

This strategy provides a basis for us to move forward and enables us to resolve various management and staff issues including rationalisation of the staffing establishment, timely conduct of recruitment and promotion exercises, and career development planning for staff in various ranks and grades. The implementation of the strategy has also enhanced the job security of current contract staff, in turn helping us retain a pool of knowledge and dedicated talents.

With the endorsement of the new strategy in October 2008, we have been actively conducting recruitment

exercises to fill some 370 civil service positions. Coincidentally, the economic turmoil has provided us with

opportunities to choose many highly qualified candidates. With the new recruits expected to start reporting for duty

from May 2009, we believe they can help to enhance our services to the public.

Staff Benefit

Staff may also enjoy various fringe benefits including medical and dental treatment, housing benefit, annual leave

and retirement benefit which are depending on their staff rank levels and the terms of employment.

Staff Integrity

We aim to maintain high standards of staff integrity and conduct in order to ensure the best management of public

housing resources in the territory. In addition to the guidelines provided by Civil Service Bureau, specific

guidelines and requirements have been stipulated in our departmental staff circulars for staff to declare private

investments, and to educate staff on avoidance of conflict of interest and dealing with situation when being offered

advantages and benefits.

We have also developed internal circulars to deal with attempted bribe, allegations of corruption, Independent

Commission Against Corruption (ICAC)'s referrals and operational liaison with ICAC.

To fully commit our collaboration with ICAC in combating corruption, anti-corruption's briefings are provided to all

newly appointed staff as part of the staff induction programme. Integrity reinforcement seminars are also held for

existing staff members. In 2008/09, over 1 213 staff attended various courses related to anti-corruption. In

2008/09, ICAC issued four assignment reports to the Department.

Human Rights

We give full effort to ensure equal opportunities and fair treatment in terms of remuneration, fringe benefits,

promotion and compensation among our staff, and to avoid all forms of discrimination against gender, ethnicities,

age and physical abilities, with full compliance to all the employment related legislation including prohibition of

child labour and forced labour.

Staff have the freedom to join staff associations/working groups in their respective grades or ranks. In 2008/09, we had a total of 33 staff associations/working groups and five Departmental Consultative Committees. Through the Departmental Consultative Committees and staff associations/working groups, we have effectively communicated the changes and issues of mutual concern to the staff and obtained their feedbacks to enhance operational effectiveness.

Our Environmental Performance

- Air
- Estate Greening and Landscaping
- Noise Control
- Waste Management
- Energy
- Water
- Material Usage and Control of Hazardous Materials
- Micro-Climate Studies
- Biodiversity Assessment

In the past year, we continued to enhance the building designs and construction technologies of Public Rental Housing (PRH), improve estate management and maintenance, as well as implement stringent control on contractors so that the impact on the environment can be minimised. We encouraged residents and stakeholders to joining us in saving energy, reduce production of waste and promote recycling of waste, contributing to the sustainable development of Hong Kong.

Internally, our Development & Construction Division has prepared to further enhance their environmental management system to attain ISO 14001:2004 certification since 2008. With the approval of the Certification Body, the Certification would soon be received in June 2009.

We complied with all applicable environmental legislations in 2008/09. However, there were 12 conviction cases in environmental offences regarding our contractors' operations. Two cases on each environmental aspect were related to air and water respectively, while three were related to noise and five were related to waste.

Awareness Arising Targets for 2008/09	Progress
Review and monitor environmental awareness in PRH by reviewing the need for surveys and providing the results to the related sections for necessary improvements.	Fully Met

Green Construction Methods

We continue to save energy and resources used in our operations. At the same time, we lead the industry with initiatives such as modular design, prefabrication and hard-paving construction methods. These techniques

enhance building quality and site safety, minimise waste, generate less noise and reduce air pollution whilst eco-friendly and more durable materials help optimise the life-cycle of our buildings, they also benefit the environment.

Air

Air quality is always one of the key concerns in Hong Kong. The Housing Authority (HA) is actively working to improve air quality in the territory. Fully aware that construction methods, materials and designs are the major factors contributing to the increase of greenhouse effect, we have made the best use of environmentally-friendly construction methods as well as innovative technologies to reduce greenhouse gas emission and conserves resources.

Working for Better Air Quality

We are committed to maintain cleaner air with the involvement of the community to reduce the carbon footprint. In order to reduce the total carbon dioxide emissions, we are currently focusing on the following measures:

- Adopting both local and international standards to enhance the energy efficiency of building services installations, thus reducing indirect carbon emission
- Implementing the best practices to reduce dust and air emission
- Sharing our experience and knowledge of air pollution reduction measures at both local and international levels through conferences and seminars

We conducted indoor air quality assessment for our office building at Headquarters, Block 1, 2 and 3 of HA

Headquarters were awarded the Indoor Air Quality Certificate (good class) by the Indoor Air Quality Information Center of Environmental Protection Department (EPD).

Air Ventilation Assessments

To continuously improve the air ventilation of the living

environment, we looked into the effective solution to pose

restriction to air flow for major development projects planned and

designed after July 2006. 13 projects have been assessed since

July 2006.

Modular Design & Hard-paved Construction Method

The techniques, apart from enhancing the quality of the building,

reduce the generation of dust from our construction sites so that

the air quality impact on the surrounding environment could be

minimised.

Installation of De-odourisers

To control odour at the time of refuse collection, we have installed

new de-odourisers at the covered refuse collection points in newly

completed estates. More than 60 sets of de-odourisers have been

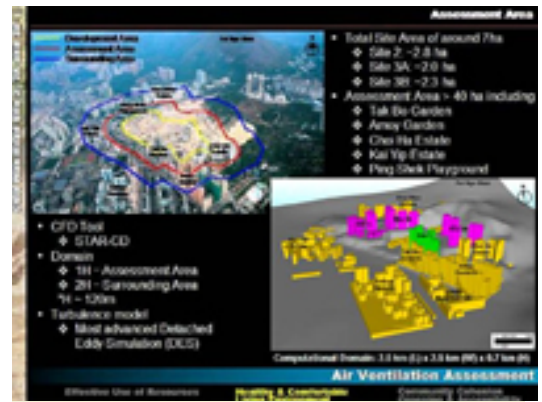
installed in since 2003.

Estate Greening and Landscaping

Over the years, green design practices are always our major concern on our estate design. To extend the concept

of a healthier and more sustainable living environment, we are working towards a more comprehensive greening

programme for our estates. In 2008/09, we have introduced the installation of vertical greening panels and green



Air Ventilation Assessment Model



Hard-paved construction method



De-odouriser installation

rooftops in a number of our estates. We also continue promoting green living in our estates by organising green programmes or activities such as tree planting days, and "Green Delight in Estates programme".

Greening and Landscaping Targets for 2008/09	Progress
Provide green treatment (e.g. hydro-seeding and tree planting) to newly formed slopes.	Fully Met
Add new vegetation and promote greening in new housing estates to meet the minimum target of one tree per 15 PRH flats. Conduct tree surveys to ensure that this is met.	Fully Met
Upgrade the existing landscape in 18 selected PRH estates by improving soft landscaping through the Landscape Improvement Programme.	Fully Met
Promote local residents and the community to participate in early plant raising for new housing estates.	Fully Met
Promote a green environment at 20 estates with Estate Management Advisory Committees (EMACs) support through the provision of green activities in these estates.	Fully Met
Promote community involvement in greening of new PRH by introducing planting areas in master landscape layout plan in design stage.	Fully Met
Promote community participation in greening of existing PRH estates by developing community gardens in selected estates.	Fully Met
Improve the slope appearance in existing PRH estates by providing green treatment to hard surfaced slopes and improving on existing vegetated slopes. Also, chunam surfaces will be improved through hydro-seeding stone pitching and toe planters.	Fully Met
Enhance greening in PRH estates by allocating open areas in selected estates for setting up theme gardens.	Fully Met
Increase tenants' awareness and support of green by organising tree planting days in selected estates.	Fully Met

Promotion of Green Living Environment

The programme "Action Seedling" has been launched since June 2007. Seedlings are given out to participants who nurture the plants at home until they are ready to be transplanted into the planters and gardens of the new estates. The first phase of the programme was completed with the support of hundreds of residents, students and community members from seven estates in helping to look after 5 000 seedlings which were subsequently replanted as part of estates' green landscapes. The second phase which involved seven estates is now ongoing.



"Action Seedling" Community Participation Scheme

Landscape Development

We have continued to carry out substantial landscape improvement works to maintain a better living environment

for the residents. In 2008/09, all the newly formed slopes with green treatment covered a total area of 9 680 m². In addition, we have planted about 7 600 trees, 687 700 shrubs and 97 700 annuals in our PRH Estates, and improved the existing landscaping in 18 estates covering a total area of 111 000 m² under the Landscape Improvement Programme.

Thematic Gardens and Green Roofs

One of our major initiatives in estate greening is the greening of rooftops, walls, and introducing thematic gardens.

In 2008/09, we have set up thematic gardens in two estates namely the Butterfly Garden at Hoi Lai Estate and Red Plants Garden at Tai Wo Hau Estate. We have also set up green rooftops at Wo Lok Estate and Fu Shan Estate. The vertical greening panels, had been installed in Ching Ho Estate, Kwai Chung Estate, and Sau Mau Ping Phase 12 District Open Space and will be installed in the Eastern Harbour Crossing Site.



Green wall



Sky Garden



Green Roof

Greening Activities

To support the government initiatives, we have participated in the Leisure and Cultural Services Department's Hong Kong Flower Show 2009 by setting up a landscape garden that was designed around the idea of "Harmonious Garden". This design brought us the "Grand Award for Design Excellence". Our design has explicitly expressed our mission to the public, that is, "TO PROVIDE A HARMONIOUS LIVING ENVIRONMENT".



Flower Show 2009

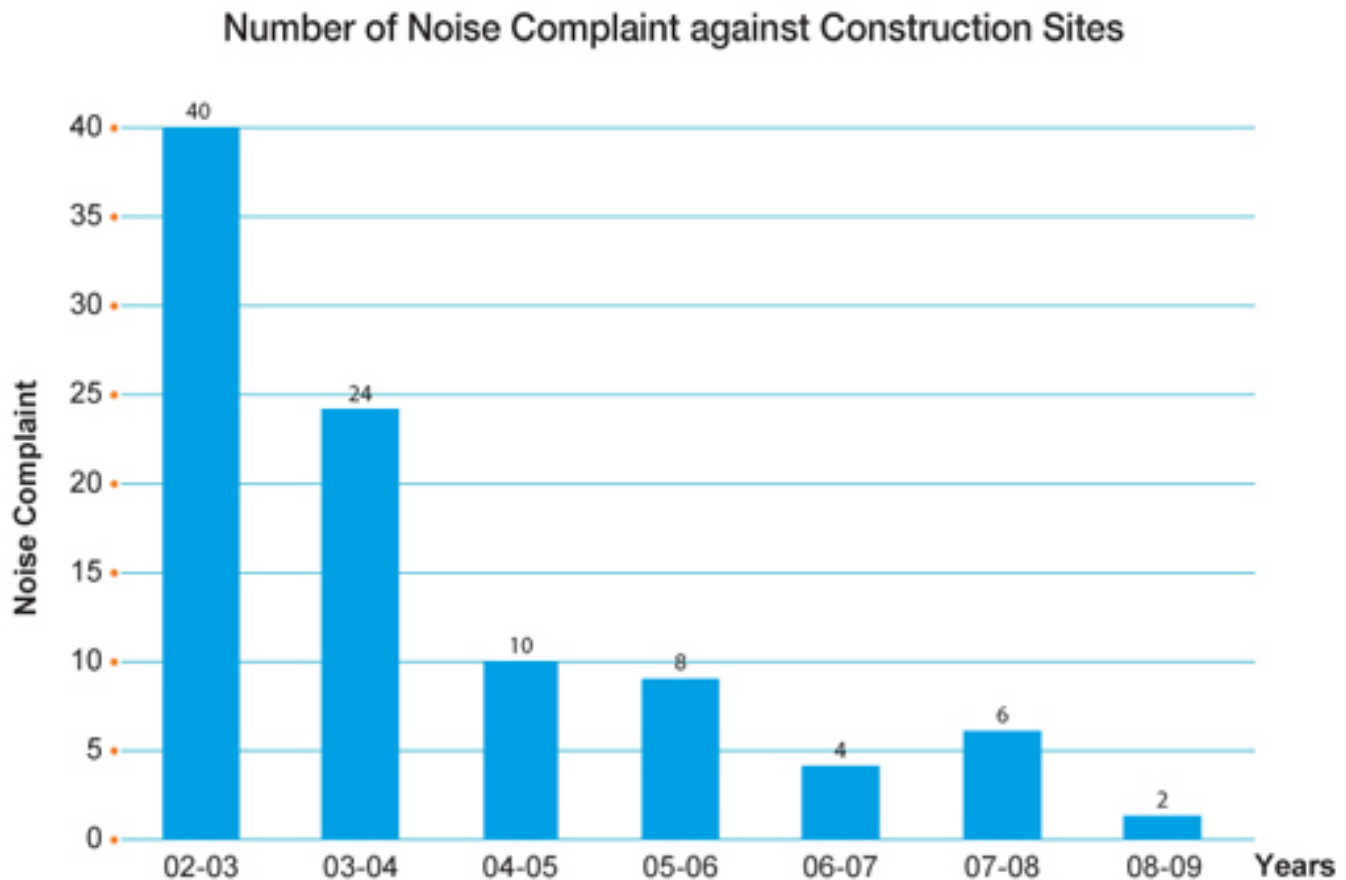
Noise Control

Being an environmental responsible authority, we continue our effort in providing a top quality living environment for our residents at all times. In 2008/09, we continued our on-going implementation programme on noise reduction measures by replacing noisy high-speed water pumps with quieter equipment in our PRH estates, and using prefabricated building elements in our construction sites.

Noise Targets for 2008/09	Progress
Reduce noise nuisance from water pumps in PRH estates by replacing 3 000 rpm water pumps with 1 500 rpm water pumps.	Fully Met

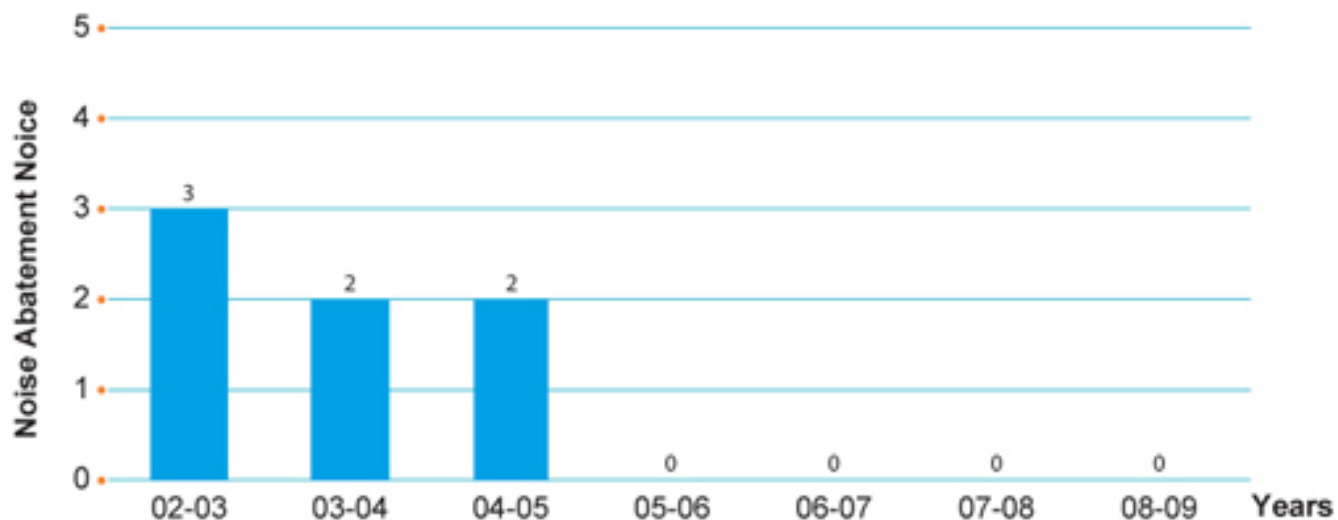
Noise Complaints and Abatement Notices

In 2008/09, we received three noise complaints, two were from construction sites. The noise complaints were recorded and properly addressed by the concerned contractors. The rest was regarding noise generated from neighbourhood tenant.



The number of noise abatement notices issued by the EPD to PRH estates has been very low in past years. There was no noise abatement notice received in 2008/09.

Number of Noise Abatement Notice Received



Noise Mitigation at Construction Sites

Other initiatives have also been taken, e.g. the use of hydraulic concrete crushers, the use of modular design and prefabricated building elements in our new projects, to reduce noise impacts on the residents and neighbouring community during the construction phase.



Prefabricated building elements on site

Water Pump Replacement

Within our existing PRH estates, 19 noisy water pumps have been replaced with 1 500 rpm quiet water pumps during 2008/09 in order to reduce noise nuisance from water pumps. The programme of replacing all pumps is

scheduled for completion by 2010.

Waste Management

With the continuous growth in population and limited disposal facilities, one of our key concerns is that Hong Kong will be running out of landfill space soon.

As one of the largest public agencies providing and managing housing facilities in Hong Kong, we always strives for the best practices to support waste reduction and recycling.

Waste Management Targets for 2008/09	Progress
Reduce Construction and Demolition (C&D) waste and ensure proper disposal by developing a Construction Waste Index through conducting surveys of C&D waste.	Fully Met
Increase domestic waste recovery rate for paper, aluminium cans, plastic bottles and used clothes by arranging publicity activities for all PRH estates.	Majority Met
Promote waste reduction through various publicity campaigns with the aim to reduce generation of domestic waste.	Fully Met
Implement Programme on Source Separation of Domestic Waste (SSDW) in all estates by phases.	Fully Met
Reduce A3 and A4 paper consumption in Housing Department (HD) offices by performing various initiatives to reduce paper consumption.	Fully Met
Collect waste paper in HD offices and implement various initiatives to encourage paper recycling.	Fully Met
Use environmentally-friendly paper in printing of all publicity materials by implementing its use as a pre-requisite in all printing jobs.	Fully Met
Enhance community awareness on environmental protection by launching campaigns to promote waste reduction and recycling in PRH estates and joint programmes with green groups and EMACs, including distributing environmental publicity materials to tenants.	Fully Met

Management of Construction and Demolition Waste

The HA has taken various effective measures in managing C&D waste disposal. We practice recycling and reuse of demolition waste from our redevelopment projects as far as possible to lever the landfill burden. The C&D waste quantity from demolition of estates in 2008/09 was about 48 000 tonnes and the percentage to backfill was about 4.2%.

Programme on Source Separation of Domestic Waste

To facilitate and encourage more tenants to separate their waste for recycling, we implemented the Programme on SSDW in our PRH estates by phases since 2005. Up to end of 2008, a total of 120 PRH estates have participated in the programme. We will continue to introduce the SSDW Programme in 30 PRH estates each year and plan to

include all PRH estates in this meaningful programme by 2012.

In 2008/09, a total of 120 estates took part in the competition under SSDW with 1 estate won the Gold Award, 5 estates won the Bronze Award and 114 of them received Certificates of Merit. Two of the above estates also received the Award for Co-operative Partnership from the EPD.

Recovery of Domestic Waste

In order to raise the resident awareness of domestic waste recovery, the HA set the waste reduction goals to recover four types of domestic waste in the PRH estates.

The following table presents the amount of waste recovered for recycling in PRH estates from 2006/07 to 2008/09.

Waste Type	Quantity of Waste Recovered (tonnes)			Recovery Rate (%) against estimated values		
	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
Paper	13 025.3	14 748.2	14 193.7	12.30%	14.30%	14.37%
Aluminium Cans	267.7	309.6	495.9	28.30%	32.31%	44.40%
Plastic bottles	503.3	764.6	939.3	6.20%	9.48%	11.85%

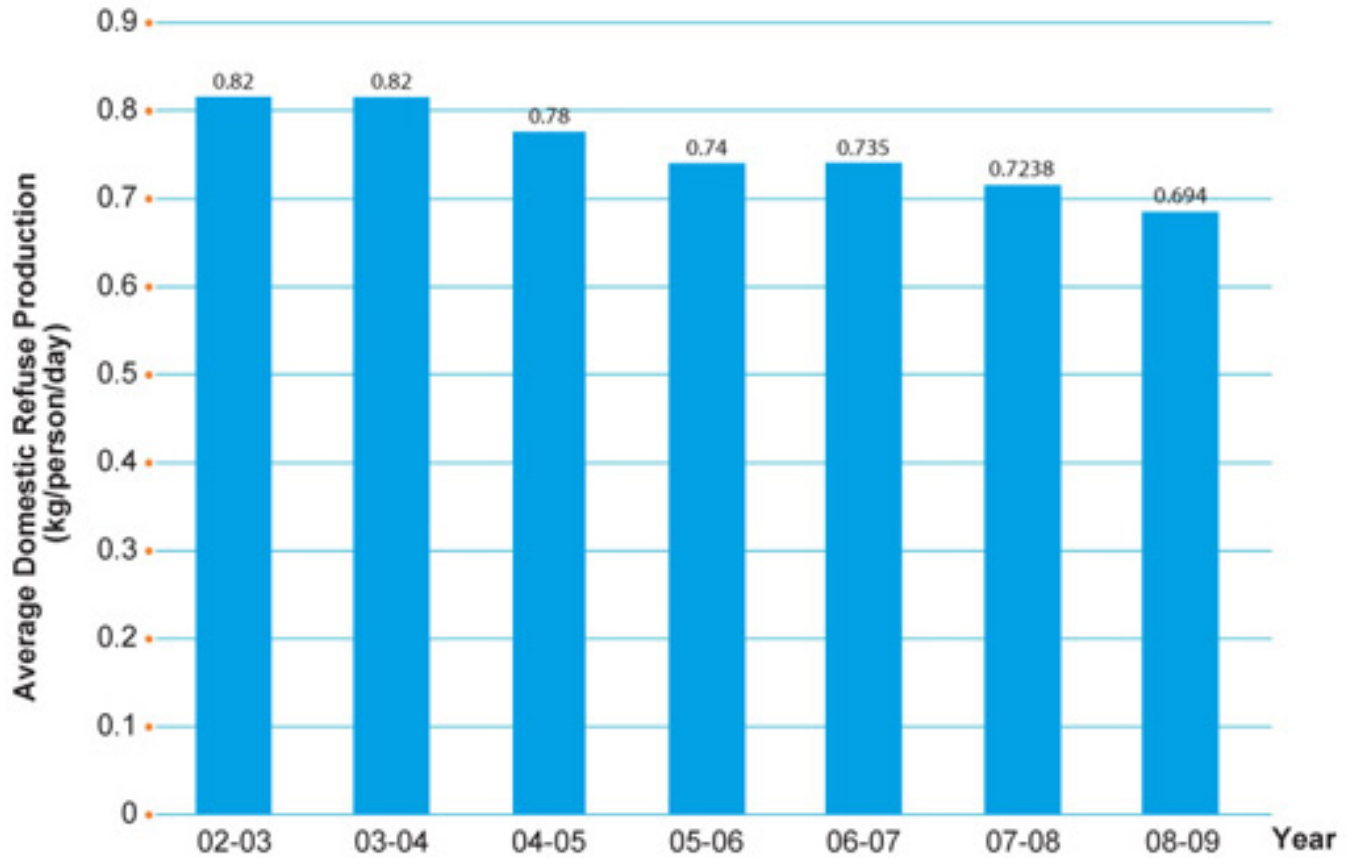
The recovery rate for paper is more or less the same as that of 2007/08, whilst there has been a significant increase in aluminium cans and plastic bottles recovery. However, only 618.1 tonnes used clothes was recorded from April 2008 to March 2009. It was slightly below the set target of 635.9 tonnes for used clothes recovery.

In addition, to enhance community awareness on environmental protection, joint programmes with green groups and EMACs were conducted such as "Collection of mooncake boxes", "Carnival with EMSD" in November 08 and "Green Carnival" in 2009.

Production of Domestic Refuse

After implementing various effective waste recovery programmes and campaigns, the average domestic waste production of our residents in 2008/09 was reduced to 0.6940 kg/person/day, a 4.12% reduction from the total domestic waste produced in 2007/08 and 15.3% reduction as compared with 2002/03.

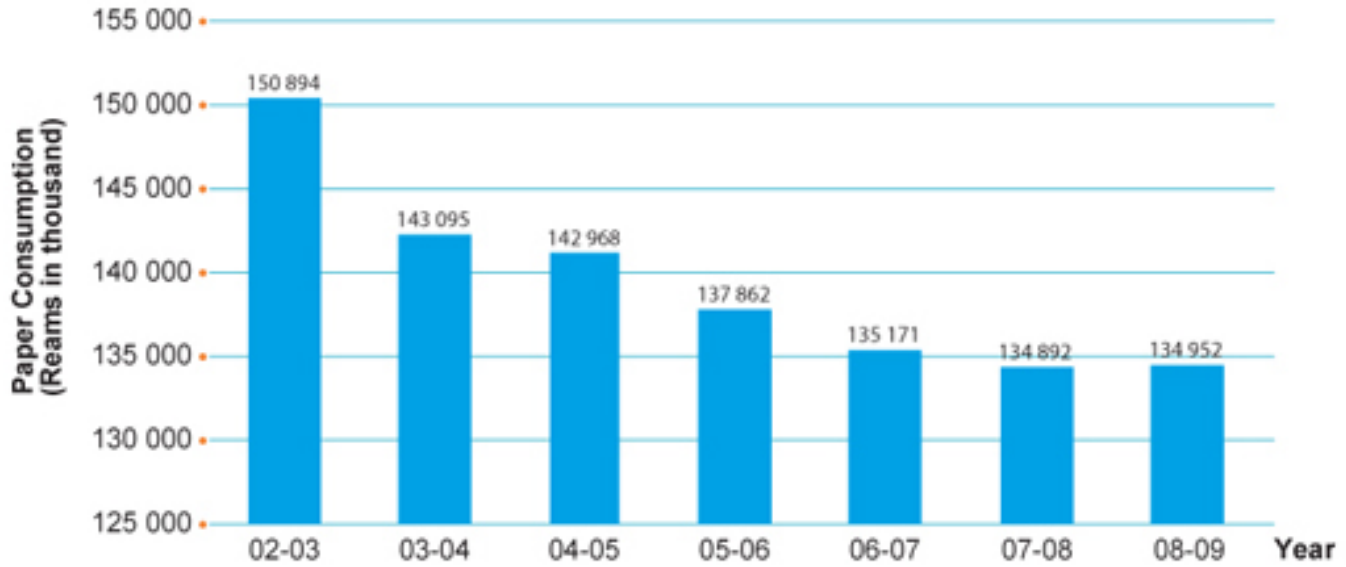
Average Domestic Refuse Production from Residents



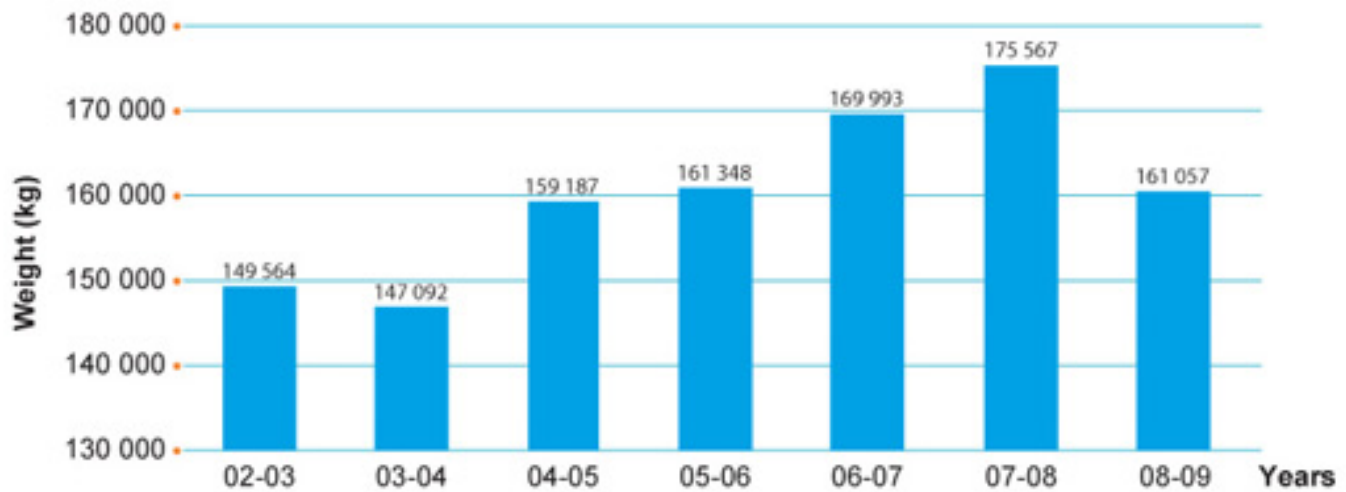
Reduction of Paper Usage in Office

Internally, we have implemented a number of initiatives to reduce our paper consumption and enhance our paper recycling in all HD offices. In 2008/09, only 134 952 reams of paper were consumed, which was lower than our target consumption rate set against 2002/03 by 10.6%. In addition, the quantity of waste paper collected in the HA offices in 2008/09 was 161 057 kg, which is about 5% and 8% lower than the collection rate in 2006/07 and 2007/08, respectively.

Paper Consumption in HA Offices



Quantity of Waste Paper Collected in HA Offices



"Wastewi\$e" Label

The HA was awarded the "Class of Excellence Wastewi\$e Label" of the Hong Kong Awards for Environmental Excellence organised by the Environmental Campaign Committee. The Scheme was established to encourage and assist Hong Kong companies and

Energy

organisations in reducing the amount of solid waste generated during their operations. Each participating organisation had to set and meet a number of waste reduction targets and implement measures within a given time frame.

element in sustainable development and helps combat global warming. In order to support the government to combat greenhouse gas emissions, we commenced carbon audits on five of our buildings in August 2008. These audits will serve as benchmarks for identification of any future energy saving opportunities in our buildings.

Energy conservation in Hong Kong has received

increasing attention over the years. This is a crucial

Wastewi\$e Environmental Excellence

香港環保卓越計劃

Excellence 卓越

membership no. WW-000-0055

Class of Excellence Wastewi\$e Label

Reinforcing our energy-saving commitment, we have also commenced the installation of new energy saving "machine-roomless" lifts in several estates. The performance of the first "machine-roomless" lift has proven to be satisfactory.

Energy Targets for 2008/09	Progress
Reduce electricity consumption of landlord services installation in new domestic blocks by adopting Energy Codes and obtaining energy certificates for completed projects.	Fully Met
Explore and study application of more energy efficient equipment by completing trial installation of solar powered lamp poles, adjustment of lift counterweight settings and adopting a wider use of T5 fluorescent tubes.	Fully Met
Reduce energy consumption of office premises by performing various energy saving initiatives.	Fully Met
Explore and study application of green design for building services equipment.	Fully Met

Energy consumption

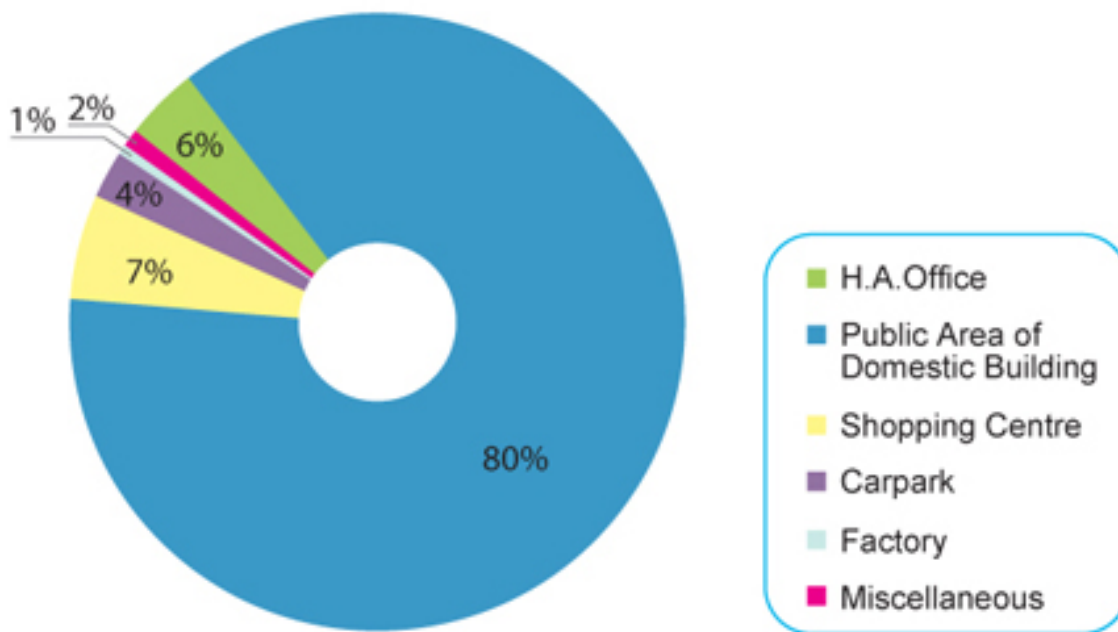
With the implementation of various energy saving programmes, electricity consumption for our headquarters, offices and other premises was 615 172 000 kWh in 2008/09, 0.81% less than our consumption in 2007/08. This accounts for a reduction of over 3 500 tonnes of greenhouse gas emissions¹.

¹A default value for the emission factor of 0.7 kg/kWh is employed to account for Greenhouse Gas (GHG) emission associated generation of electricity to supply customers in Hong Kong (Source: Guidelines to

Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial,

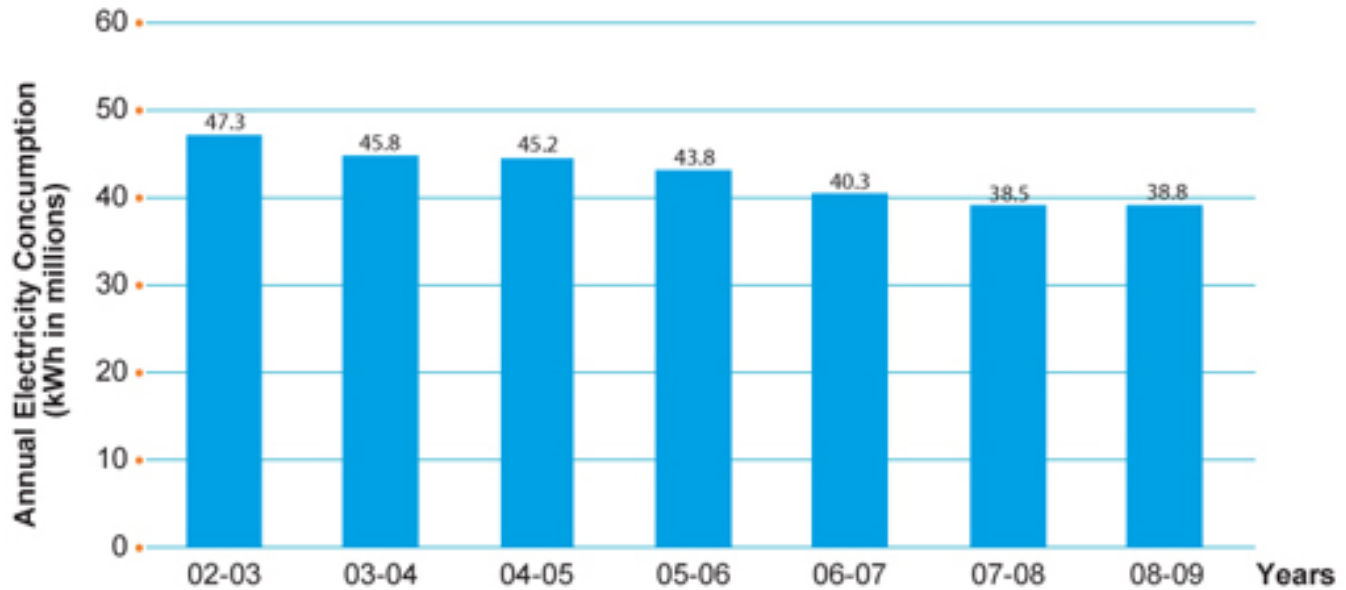
Residential or Institutional Purpose) in Hong Kong)

Distribution of Electricity Consumption in 2008/09



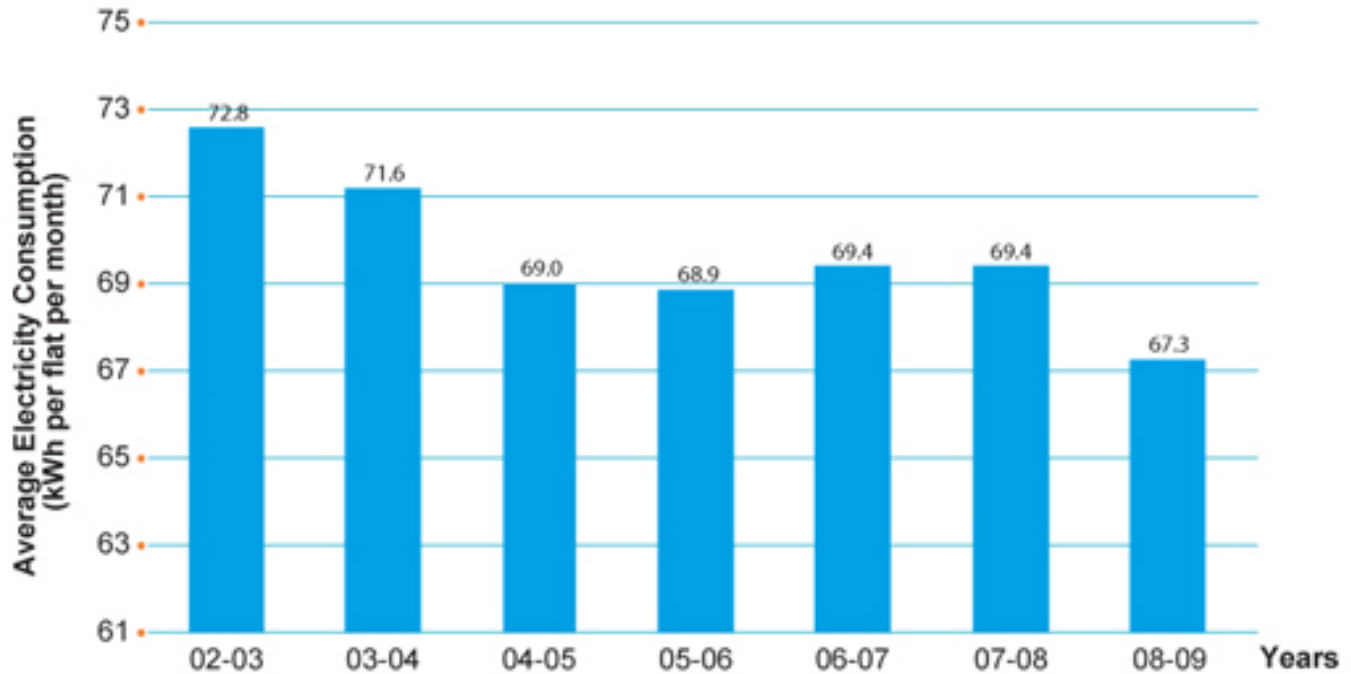
Within the HA offices, the achievement of meeting our annual electricity saving target have been reached since 2003. In 2008/09, we consumed 38 752 371 kWh of electricity which is 12.9% lower than the target consumption of 44 503 000 kWh. About 0.56% increment in total electricity consumption of our offices against 2007/08 was marked during the year. The increase in total electricity consumption was due to the increase in total number of HA offices.

Annual Electricity Consumption in HA Offices



The public areas of domestic buildings in our estates represent the highest proportion of HA's annual electricity consumption. The total electricity consumption of the public areas in 2008/09 was 493 704 250 kWh which is 0.084% less than that in 2007/08. This resulted in a reduction of almost 300 tonnes CO₂e emissions. In terms of average monthly consumption per flat, this equivalent to a drop of about 3%, from 69.4 kWh/flat/month in 2007/08 to 67.3 kWh/flat/month in 2008/09.

Electricity Consumption in Public Areas of Estates



In 2008/09, the fuel consumption of the HA's vehicle fleet was 93 338 litres, which is approximately 1% less than that in 2007/08. This links to a reduction of about 1.5 tonnes of carbon dioxide emissions² to the atmosphere.

² Carbon dioxide emission is calculated using mobile combustion carbon dioxide emissions calculation tool version 1.3 developed by GHG Protocol Initiative. Assuming only gasoline is consumed by the HA's vehicle fleet, CO₂ emission = GJ energy (Gasoline used in litre x 0.0344 GJ/unit) x Emission Factor (69.250 kg CO₂/GJ)

Energy Conservation

We always strive for a balance between energy saving and aesthetics in our development. In 2008/09, we have encouraged natural light design for energy saving.

Lighting modification works that optimised the use of daylight in all of our H-type blocks were completed in 2008/09 with an overall expected electricity saving of 1 680 000 kWh per year.

A three-year programme to replace T8 with the more energy efficient T5 fluorescent tubes for exit and directional

signs also commenced in 2008/09, with the modification of 67 blocks completed so far. T8 fluorescent tubes in 14 000 exit signs were replaced by energy-efficient T5 tubes with the total annual electricity energy saving of 1 470 000 kWh.

To show our support on energy conservation, we worked with our stakeholders to enhance energy saving in our estates. We participated in the "One-hour-long Lights Out" campaign organised by Friends of the Earth (HK) (FoE(HK)) on 21 June 2008 and a similar campaign entitled "Earth Hour 2009" organised by the World Wide Fund for Nature Hong Kong on 28 March 2009. All non-essential lighting, such as decorative or promotional lightings were switched off between 8:30 and 9:30pm on both evenings to draw public attention to global warming and promote energy conservation. Five estates were also chosen to participate in FoE (HK)'s "Power Smart 2008" energy saving competition. Participants were required to reduce electricity consumption in their estates' public areas over a period of 90 conservative days.

Since 2002, all of our projects have been designed accordingly to the Building Energy Codes issued by the Electrical and Mechanical Services Department (EMSD) in order to meet the energy efficiency requirements on lighting, electricity, air-conditioning, lift and escalators installations. Since the adoption of the Codes, we have obtained a total of 180 energy certificates. Coupled with the implementation of other energy saving design features, it is estimated that about 30% of the annual electricity consumption of the public areas of our new domestic buildings can be saved.

Seeking to improve energy saving even further, new technologies



Energy saving poster in estates

to conserve yet more energy in our building projects are under trial. These include the installation and performance monitoring of solar panels and LED lighting at Lam Tin Estate, as well as the planned implementation of hybrid ventilation systems to regulate the natural cooling of air-conditioning systems for retails at Yau Tong Estate and the development at Choi Wan Road.



Pole lamps powered by renewable energy

Furthermore, to follow an environmental initiative advocated by EMSD, the Shopping Centre at Kai Tak Site 1A will adopt a district cooling system for better energy efficiency, amid other environmental considerations such as elimination of noise and heat emissions. Moreover, for educational purposes, every newly completed project is provided with a couple of pole lamps or other similar lighting fittings powered by renewable energy, a total of 18 lighting fittings installed up to the end of March 2009.

Water

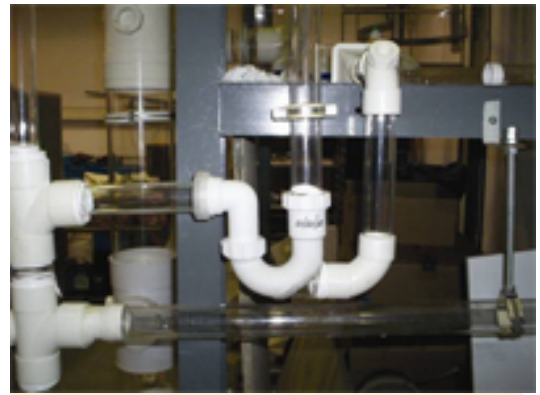
Careful management of water has allowed us to achieve continuous improvement in water consumption and water quality. Even though we have provision of a reliable and safe water supply system to PRH, we will continue to strive for a high quality water supply service. We understand that our practices today will have profound effects on our future.

Water Conservation Targets for 2008/09	Progress
Reduce flushing water consumption by conducting trial schemes in new projects, e.g. pilot project at Shek Lei Phase 10 and corresponding performance reviews.	Fully Met
Reduce potable water consumption for installations under landlord control in PRH estates by using self-stopping water taps and conducting re-plumbing programmes to minimise pipe bursting and leakage as well as studying the feasibility of using rain water for plant watering and general cleansing.	Fully Met
Continue to reduce water consumption at HA Headquarters by performing water saving initiatives as appropriate.	Fully Met

The water consumption in 2008/09 is 14 489 m³ which is 3.4% lower than the target consumption of 14 993 m³.

Common W-trap Waste Water System

During the design and construction for new estates, providing clean and hygiene living environment has been one of our primary considerations in building a sustainable living environment. One of the most remarkable steps was the development of "common W-trap" waste water system, which was developed in collaboration with the City University of Hong Kong after the outbreak of SARS epidemic. The design tackles the problem of spreading diseases via dried-up u-trap floor drains in a satisfactory manner. Phase 3 of Yau Lai Estate at the Eastern Harbour Crossing site was being selected to be the first development to study its implementation during the year. In view of the trial's positive results, this design is now being adopted in all of our new estates.



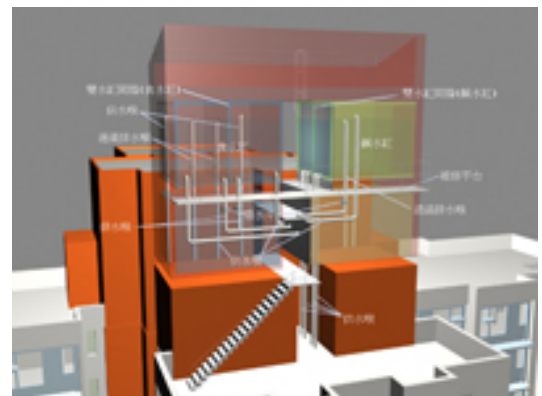
Common W-trap system design model

Reduce Flushing Water Consumption

Since 2002, dual-flush cisterns have been installed in the washrooms at HA headquarters to test their water saving potential, durability and maintainability. With this positive trial result, we have carried on another pilot project at Shek Lei Phase 10 to install dual-flush cisterns. The result of this pilot project will be closely monitored and evaluated before wider applications in other new PRH estates.

Harvest Rain Water for Irrigation and Twin Water Tanks

On trial basis, to reduce water consumption, we will install collection systems to harvest rain water or air-conditioning condensate for irrigation at the Eastern Harbour Crossing Site Phases 5 and 6 and Yau Tong Redevelopment Phase 4 respectively, while dual flushing systems have been adopted in Aldrich Bay Phase 5.



Twin water tank set-up

Where practicable, twin water tanks have been/will be installed at roof level to reduce the chance of interruption of water supply to our residents, and to reduce the amount of wash out from water tank cleansing activities.

Construction Site Water Management

Contractors are required to apply licence from EPD for any effluent discharges to public drainage system. Wastewater should be treated with silt removal and pH adjustment via adequately designed treatment facilities prior to discharge into the approved discharged point as per the discharge license. There are discharge requirements on water quality in terms of pH Value, Suspended Solid and Chemical Oxygen Demand to be complied with. Water samples should be collected and tested by approved laboratory once every 3 months. For individual contractors accredited with ISO 14001, more frequent water samples are to be tested. Test results should be kept for inspection by EPD. Water used in wheel-washing bay shall as far as practicable be re-cycled after sedimentation.

Material Usage and Control of Hazardous Materials

To further reduce our environmental and safety impact on the neighbourhoods and community at large, prefabrication of structural components, modular design using prefabricated building units manufactured off-site and hard-paved construction methods were adopted in our construction sites. Applying these techniques leads to enhancement of the building quality and site safety as well as reduction in waste, noise and other environmental pollutions. Environment-friendly and more durable materials are also selected under our green procurement practice, which help optimise the life cycle of the buildings, and hence benefit the environment.

The following targets have been set for material usage and control of hazardous materials.

Further abate the remaining asbestos-containing materials in existing HA managed properties by implementing asbestos abatement programme through estate redevelopment programme and asbestos removal works.	Fully Met
Use of softwood timber doors in PRH estates.	Fully Met

Use of Softwood Timber Door in PRH Estates

From 2007/08 till now, we carried on with a pilot project using softwood timber doors in the construction of Eastern Harbour Crossing Phase 4 (EHC4). These doors were made of timber from sustainably managed forests and with the certification from the Forestry Stewardship Council (FSC). The percentage of certified timber material from sustainable source in each FSC certified door is 86.6% while 16.2% of doorsets in EHC4 that are FSC certified doors. The results of using softwood timber doors, together with the quality assurance and traceability issues of using FSC products, are currently under reviewed by the EHC4 project team.

Use of Recycled Material

Over 99% of the copy papers are recycled paper and environmentally friendly paper have been used in printing of publicity materials.

Use of Pulverised Fuel Ash (PFA)

We have also encouraged our contractors to use reusable metal hoardings, metal formwork and prefabricated building elements. We have estimated that approximately 26 000 tonnes of timber was saved from our construction projects. By replacing cement with PFA in the concrete mixes, we saved 32 000 tonnes of cement.

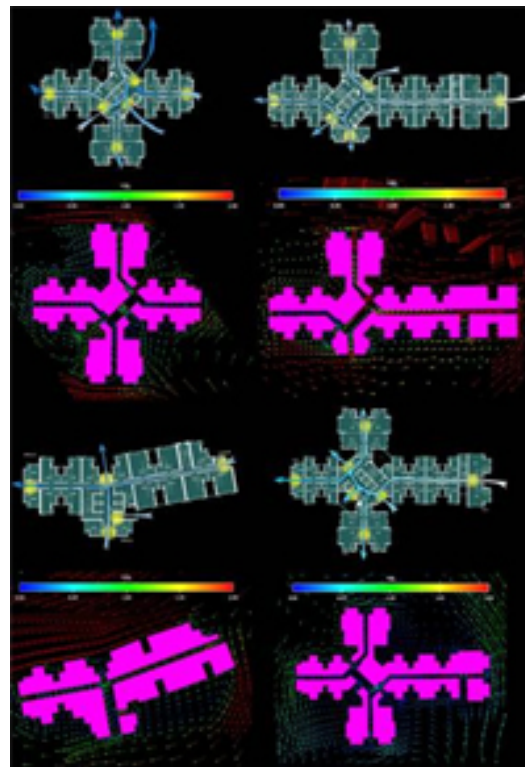
Asbestos Abatement Programme

The Asbestos Abatement Programme continued in 2008/09 in the Comprehensive Redevelopment Programme. Asbestos in 8 blocks have been removed and 3 blocks have been demolished up to late February 2009.

Micro-Climate Studies

The Micro-Climate Studies was first introduced in 2001. They provide the starting point for our green design. Now used in the design and development in all of our new estates, these studies

employ computer simulations to assess the site's micro-climate in terms of airflow and wind speeds, solar heat levels and ambient noise levels to determine the best use and environmental quality of the external space. These studies facilitate us to build better living spaces that introduce as much natural ventilation and daylight as possible, and also ensure that buildings are positioned to enjoy the best from the natural environment. Aiming to provide a healthier and more comfortable living environment for residents, while minimizing pollution and saving energy, we have applied these studies in over 33 developments as of March 2009. Choi Ying and Upper Ngau Tau Kok Estates, completed during the year, were among the first developments to conduct these micro-climate studies in their design and construction.



Natural ventilation simulation for common areas of different block types

Biodiversity Assessment

In our philosophy, development should never significantly impact our environment. We strive to create minimal disturbance to the natural environment, including the biodiversity. Biodiversity assessment is to be carried out for developments situated close to areas with high ecological value. So Uk Estate redevelopment is a typical example. Its rich vegetation in the existing estate is to be preserved as an integrated landscape strategy for the new development. Survey of the bio-diversity content inside the estate and its proximity to the Lion Rock country park (Eagle Nest) will be carried out shortly. Similar to the Shui Chuen O, which is embraced by the Ma On Shan/ Tsz Wan Shan country park with 2 water-courses identified in the vicinity, survey of the biodiversity content of the country park will also be carried out in 2009/10.

Our Social Performance

- Improving Safety
- Protecting Workers
- Sustainable Living Environment
- Estate Management
- Enhancing Public Health and Hygiene
- Fostering Harmonious Families
- Staff Development and Participation

We endeavour to provide our services responsibly, efficiently and cost-effectively to ensure well-being of our employees, business partners and residents. Transparency and communication are major factors in maintaining good relations with our stakeholders for attaining medium and long-term objectives and promoting sustainable growth.

To foster a safety culture and good corporate citizenship, we have focused on a wide range of social initiatives such as introducing safety measures at construction sites and protecting workers' wages.

The Hong Kong Council of Social Service awarded our executive arm Housing Department the "Caring Organization Logo". This has been the third consecutive year in recognizing our contributions to the local community.



During the year, we fully complied with all applicable social legislation.

Improving Safety

Kong, site safety is our major concern. Efforts are

As one of the largest housing developers in Hong

always being made to maintain and raise high safety standards in workplace. During the year, two fatal accidents were experienced along with a slight increase in the accident rates of the construction sites. In order to mitigate this, vigilant investigation of the situation and work processes were initiated. Problems identified include improper

lifting method that may cause injury. Actions were then immediately taken to alert the contractors to this issue.

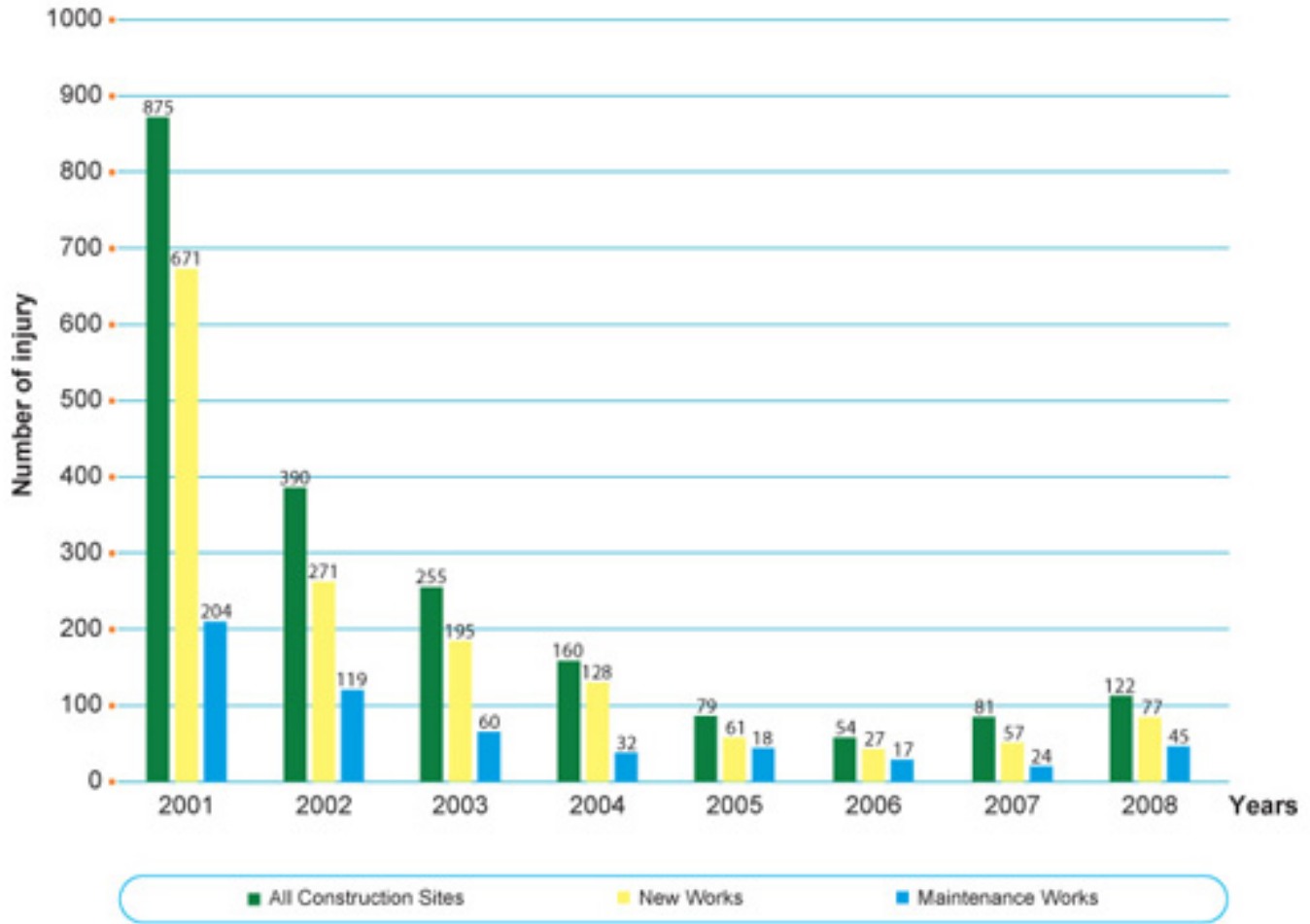
In order to tighten performance monitoring and further enhance hazard control through independent audits, we have conducted a system review and enhanced the Housing Authority Safety Auditing System (HASAS) for implementation from January 2009 and onwards. Major enhancements included:

- a. Mandate checking of tower crane lifting operation on working floor and ground floor;
- b. Instigate generic checklist for high risk activities for which safety control measures or step-by-step safe operation procedures have to be submitted along with site demonstrations for safety audits;
- c. Introduce "Critical Pass" elements Safety Audit Checklist;
- d. Forge the implementation of Safe Working Cycle, Safety Climate Index Survey and foster Work Safe Behaviour practice, and encourage safety innovation; and
- e. Strengthen link to Pay for Safety Scheme on account of performance driven criteria, based on safety audit results.

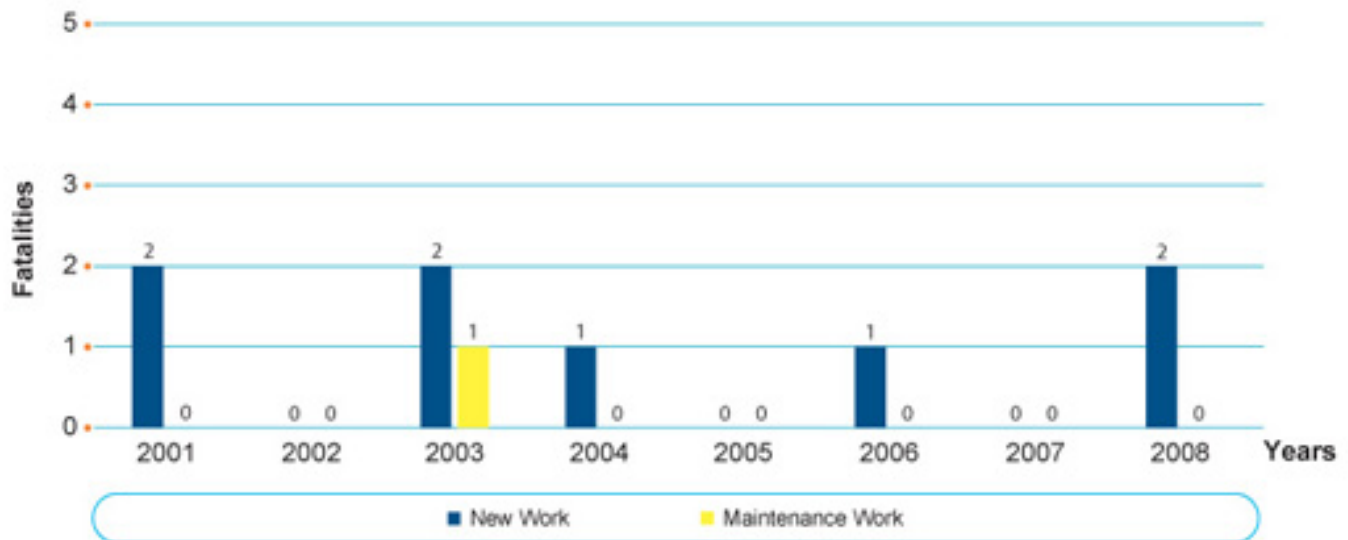
Safety Targets for 2008/09	Progress
Continue to tighten monitoring of contractors with high accident rates.	Fully Met
Enhance the 'Pay for Safety, Environment and Hygiene' scheme with more performance driven initiatives for site safety.	Fully Met
Tighten control measures for high-risk operations on site.	Fully Met
Continue to hold regular seminars on best safety practices with the participation of contractors and project teams.	Fully Met
Continue to partner with industry stakeholders in territory-wide safety campaigns and publicity.	Fully Met
Improve safety of office operations with potential health and safety risks.	Fully Met
Continue to provide safety training to staff.	Fully Met
Issuance of site safety handbook and guidelines.	Fully Met

In 2008, there was slight increase in accident rate at our sites, which rose from 11.9 injuries per 1 000 workers (from 2007) to 16.1. Despite this slight increase, our accident rate overall has declined steadily over the years from 55.8 cases per 1 000 workers in 2001 and is well below industry accident statistics. The figure for the overall construction industry decreased from 114.6 to 61.4 in the same period.

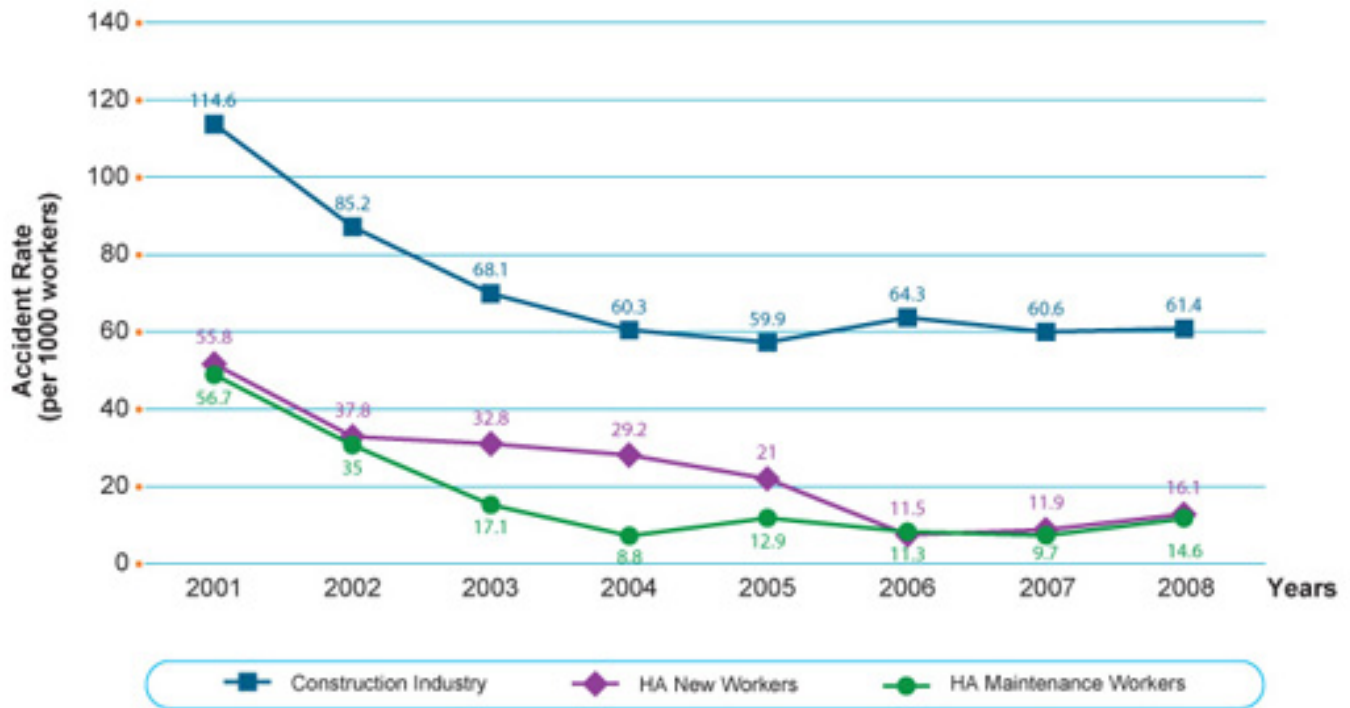
Accidents at HA's Construction Sites



Number of Fatalities

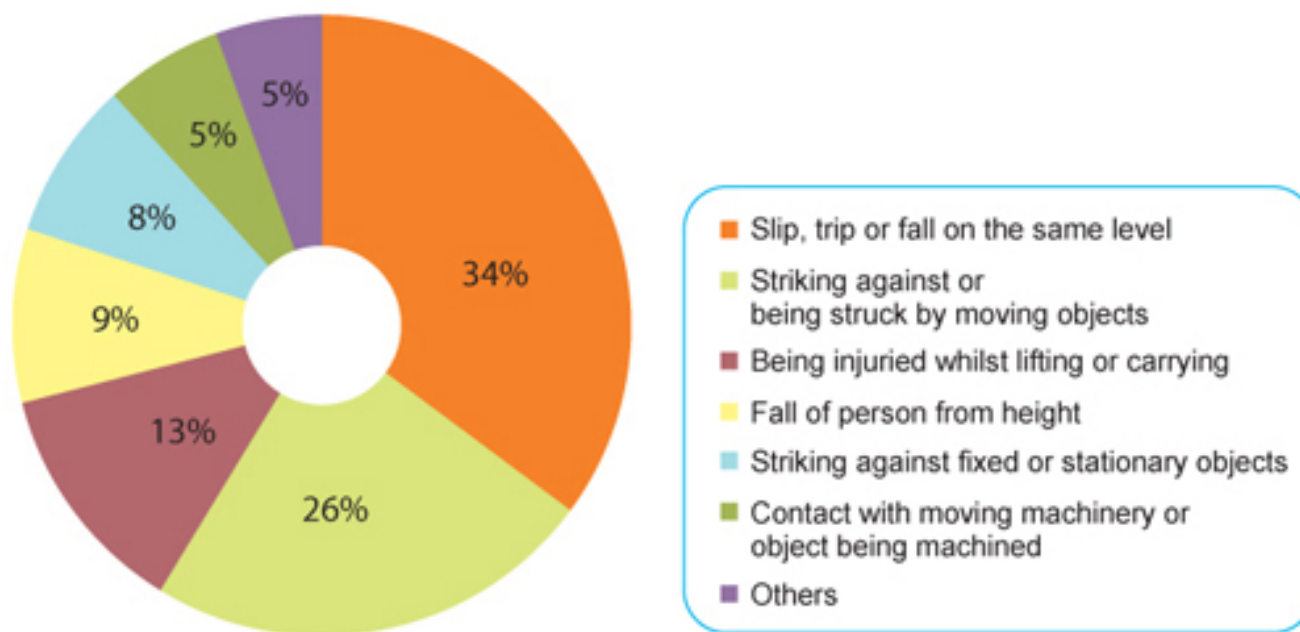


Accident Rate for New Works per 1000 Worker Compared to Local Construction Industry Average

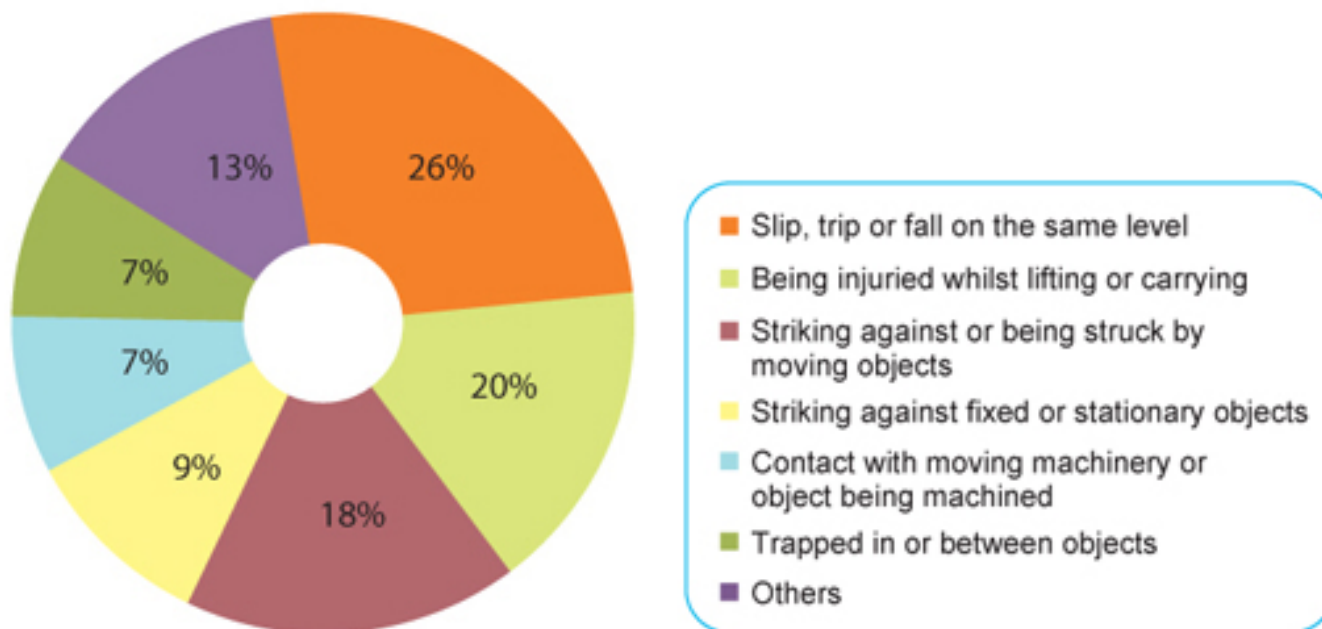


The distribution of the six common types of accident in both new works and maintenance works sites are presented below. The most frequently occurred accidents for both sites is "Slip, trip or fall on the same level".

Types of Accident in New Works



Types of Accident in Maintenance Works



To reinforce our safety commitment - to lower the accident rate and achieve zero fatalities - we have continued the following effective initiatives:

- Regular monitoring and review on the performance of our contractors;

- Implementing site safety assessments through HASAS, Performance Assessment Scoring System (PASS), Maintenance Assessment Scoring System (MASS) and Property Services Agent Scoring System (Quarterly Estate Scores);
- Previous records of serious or fatal accidents are taken into consideration for tender invitation when granting works contracts;
- Contractual controls which maintain high standards of site safety requirement;
- The "Pay for Safety Incentive Scheme" programme, which provides incentive payments to contractors for their positive safety practices; and
- Regular meeting with government departments, contractors' associations and workers' unions under the Housing Department Site Safety Sub-committee to raise the contractors' awareness of safety and facilitate subsequent reviews of their safety performance.

Performance Assessment Scoring System

Performance Assessment Scoring System (PASS) was utilised to assess, monitor and measure the performance of our building, building services and piling contractors. The effectiveness was proven throughout the years. The improvement of the average PASS score (comparing against 2002 and 2008) for different contractors are:

Type of Contractors	Average PASS Score Improved (Compared with figures at the end of 2002)
Building Works	0.56%
Electrical	17.3%
Fire Services and Water Pumps	18.6%
Lifts and Escalators	7.1%

Due to the effectiveness and benefits of this system, the use of PASS was extended to our demolition and soft landscape contractors on a trial basis which have been completed and a review is being carried out before implementation.

"Safety Coordinator, Safety Officer" Programme

To foster the site safety environment of Property Service Agents

(PSAs), maintenance contractors and cleansing contractors in Public Rental Housing (PRH) estates, we have introduced the programme of "Safety Coordinator, Safety Officer" for Building Works contractors and PSA respectively. These personnel are required to be employed by the service providers and they have to formulate safety policy for the company in order to ensure that they will meet the safety requirements throughout their contract period.



Physical exercise before work

Fall Arrest Horizontal Life-line System

A comprehensive technical specification on Fall Arrest Horizontal Life-line System (FAS) has been incorporated in the contractual agreement to further enhance the safety of staff carrying out maintenance and cleansing duties at a height. As of 31 March 2009, FAS had been installed at 162 domestic blocks with slanting canopies in 31 estates to ensure safety of working at a height.



Checking on safety equipment

Reinforcing Fire Safety

Gaining strong resident support, Estate Management Advisory Committees (EMACs) actively organise fire safety awareness promotional activities among our estates. A record high of over 90 fire drills and promotional activities were organised in 84 estates during the year. Two territory-wide award winning fire safety quizzes were also organised, requiring participants to browse through our fire safety mini website to complete the quizzes. We also worked closely with the Fire Services Department, whose mobile publicity unit has been displayed in 29 estates over a period of four months.

Lift and Escalator Safety

In 2008/09, an increasing number of escalator accidents were

reported. In view of this, a lift and safety campaign was launched in July 2008 to introduce related safety messages to our residents. Tips and advice on how to avoid accidents when using lifts and escalators are given to our residents by hanging sign-boards with safety messages near the escalators, as well as promoting the safety message in EMACs' Newsletters and our audio visual Housing Channel. Such arrangement leads to a dropping of the number of lift and escalator accidents by 20% when comparing to the same period in 2007/08.



Game Booth on lift and escalator safety

Safer Homes in Safer Surroundings

To foster safety and health in PRH estates, we have piloted six of our estates to join the "Safe and Healthy Estate Accreditation Scheme" organised by the Occupational Safety and Health Council. These six estates will be designated as "Safe and Healthy Estates" once endorsed by the authority.

Protecting Workers

Working beyond legal compliance, we make our best efforts to protect the rights of workers in our building contracts as well as our service contracts. We continue to implement the provision of Labour Relation Officers to protect workers to foster timely payment of wage, as well as worker's rights and benefits. Tighter measures have been enforced under the Demerit Point System to protect non-skilled workers from exploitation. Default Notices will be issued to the defaulting contractor for breaching the contractual obligations with regard to wages, working hours and workers' rights and benefits as stipulated in the employment contract. These Default Notices, carrying demerit points, will affect the contractor's future tender opportunities.

To monitor compliance status of our contractors, the Central Monitoring Unit conducts investigations into suspected cases of non-skilled worker exploitation. During the year, about 150 000 employment records and

attendance records of non-skilled workers covering 47 cleansing and security service contracts in 34 estates were checked and 1 324 non-skilled workers were interviewed with regard to employment-related irregularities. Helping both contractors and workers to be aware of their rights and responsibilities, we disseminate information on workers' rights through information leaflets, interviews, seminars and briefings.

Sustainable Living Environment

Greater Transfer Scheme

In 2008/09, a number of transfer schemes were launched to provide greater transfer opportunities for existing residents. We adopted two territory-wide Overcrowding Relief exercises under this initiative. These exercises provided housing alternatives for the overcrowded families by relocating them into larger homes. During the year, these schemes had successfully re-housed 1 030 families and reduced the total number of overcrowded households from 4 340 to 3 730.

Similarly, households living with an internal floor area of below seven m² per person can apply through our Living Space Improvement Transfer Scheme for transferring to a more spacious accommodation. During the year, 1 630 households were successfully re-housed under the practice of this scheme.

During the year, three regional transfer programmes were also implemented, enabling existing tenants to move to new flats within the same locality. 1 620 families have been moved under this initiative while a further 4 600 households were re-housed under internal or special transfers for health or social reasons.

Redevelopment and Clearance

To enhance the quality of living for residents in our older estates, assurance was made to meet the modern living standards through the launch of redevelopment and clearance activities. In 1988, a Comprehensive Redevelopment Programme (CRP) was implemented to redevelop a total of 566 old housing blocks. A total of 559 blocks have been redeveloped till today, and the programme will come to an end with the clearance of the remaining seven blocks at Lower Ngau Tau Kok Estate which consists of 5 405 residential units.

With the successful implementation of the CRP, older estates are now evaluated under the Comprehensive Structural Investigation Programme which was launched since 2005. Buildings which are over or with 40 years of history would be evaluated by this programme based on their structural safety, economic sustainability and quality of accommodation. Based on the results, a decision would be made on whether the building would be demolished or maintained for a further period of at least 15 years. As a result of the programme, the clearance of So Uk Estate will take place in two phases: Phase 1 is scheduled to be completed in 2009, whilst Phase 2 in 2012. Due to the clearance, 3 600 families have been rehoused so far.



So Uk Estate

In July 2008, another decision was made to clear Block 12 of Kwai Shing East Interim Housing which consists of some 820 flats housing around 600 people. This Interim Housing is due for clearance in early 2010. Arrangements for the clearance of Block 22 in Tung Tau (1) Estate, consisting of some 900 flats housing around 1 400 people, were approved in March 2009 with its clearance scheduled for completion in 2012.

We also offer rehousing arrangements for clearnees affected by clearances of squatters and illegal rooftop structures undertaken by the Lands Department and the Buildings Department respectively. During the year, a total of 420 rehousing applications were processed with 120 applications from squatter/emergency clearances and 300 applications from clearance of illegal rooftop structures in private tenement buildings.

Universal Accessibility Designs

With our Universal Design principles adopted since 2002, we aim at creating a safe, convenient and barrier free living environment for our residents. We ensure our PRH Estates will provide "socio-spatial equity" for everyone. We are building our estates to meet the diverse needs and capabilities of all residents, enabling "ageing in the community" and creating a safe and accessible environment for the elderly and physically impaired, so that they can stay in the community when they age. Facilities such as lifts and escalators in hilly areas, access ramps and barrier free access, tactile paths for the visually impaired, audio-visual information as well as safety features at home are all contributed to an inclusive and more sustainable living environment.



Audio-visual information



Access ramps and barrier free access

Caring for the Elderly

Around 2 000 volunteers, including our Chairman Ms Eva Cheng, participated in the Seniors Day that was held on 15 February 2009.

They visited more than 800 senior tenants in 50 PRH Estates to show their care and distribute gifts to the elderly.



Ms. Eva CHENG (Chairman of HA) chats with the elderly and enjoys pastries prepared by the elderly in the visit



Estate Improvement Programme

In line with our commitment to constantly improve the conditions of our estates

Help for Seniors Day

specifications for maintenance of our buildings were reviewed with addition of 22 new, revised or enhanced items

during the year. One of the most notable new items is the use of epoxy-coated cast iron drainage products, specifically selected because of its durability that can minimise subsequent maintenance, disturbance and disruption.

Water Supply Systems

We have continued our water supply system improvement programme with 20 pump rooms in 10 estates renovated in 2008/09, making a total number of 325 pump rooms being renovated under this programme.

Additionally, 70 cast iron pumps were replaced with more durable stainless steel pumps while 19 high-speed pumps were replaced with more modern low-speed and low-noise pumps.

Better Pedestrian Access

Pedestrian accesses in PRH estates are improving under the implementation of our new lift modernisation programmes. In respond to the Chief Executive's call to improve the pedestrian environment, we are enhancing the pedestrian access in external

areas such as hillsides as well as in low-rise housing blocks. A four-year programme has been drawn up with lifts and escalators being installed at some 60 locations in 32 estates. Consultations and feasibility studies are currently being carried out.

In 2008/09, two new lifts were installed in Tai Hing Estate which was originally not provided with lifts. Similarly, another two in Yue Wan Estate are still under construction. At the same time, 399 lifts in 25 estates have been replaced since our lift modernisation programme was launched; and corresponding work for a further 183 lifts in 13 estates are either under installation or at the final stages of completion.

[Electrical Re-wiring](#)

In 2008/09, around 17 000 residential units in 17 estates were rewired and fitted with upgraded socket outlets under the Rewiring inside Domestic Flats Programme.

[External Drainage Inspection](#)

As part of our maintenance work, we conduct door-to-door inspection of internal and external drainage pipes on regular basis. After the 12th round of inspection ended in March 2009, 1 053 blocks were checked, with defective pipes found and repaired in 299 blocks.

[Digital Terrestrial Television](#)

After the second phase upgrade of the communal aerial broadcast distribution system, all of our tenants are now able to enjoy digital terrestrial television broadcast upon the use of corresponding set-top boxes.

[Free Wi-Fi Services](#)



Launch of the new lift service in Tai Hing Estate

In addition to the free Wi-Fi services provided at 120 PRH estates in early 2008, a second service provider has provided similar services at 45 estates for free in which 26 of them were previously uncovered. This means that the free Wi-Fi services, which can be accessed at ground floor lift lobbies, external and outdoor recreational areas, are now available at all PRH estates.



Free Wi-Fi available at all PRH estates

Digital CCTV Surveillance Systems

The Closed Circuit Television (CCTV) systems at 192 blocks in 37 estates were completely upgraded during the year. Each set of CCTV was upgraded with digital recording equipment and colour LCD monitors. Broadband and local area networks were introduced to the system, helping to improve the quality of security video footage to a greater extent.

Estate Management

Estate Management Targets for 2008/09	Progress
Continue implementation of the Marking Scheme in all PRH estates and factories to enhance the living and factory environment respectively.	Fully Met

Marking Scheme for Estate Management Enforcement

In order to encourage the residents to be considerate to their neighbours and the community, the Marking Scheme for Estate Management Enforcement was introduced in 2003. Under this scheme, tenants receive penalty points for various "misdeeds" that cause a hazard to health, their neighbours or the environment. If a household has accrued 16 or more valid penalty points in two years, they are served with a Notice-to-Quit for their rental units.

Mobile Application System for Housing Management

Mobile Application System for Housing Management (MASHM) is an innovative and secure mobile system developed by the HA to enhance its housing management. It helps to improve the mobility and productivity of frontline housing staff, as well as boosting

information sharing and operation efficiency. The system enables housing staff to conduct outreach estate management duties to utilise state-of-the-art technologies such as mobile handheld devices and the mobile data communication network. MASHM not only allows our staff to download in advance or on the spot all required information but also to instantly upload files such as data or maintenance orders collected from residents. Others in the backend office can then share the information and take follow-up actions.



HA received bronze award in Hong Kong
ICT Award 2008 Presentation Ceremony

MASHM was well-recognised. We have recently received a bronze award under the "Best Public Service Application (Transformation)" category of the "Hong Kong ICT Awards 2008" for this innovative technology.

Enriching Daily Life

In addition to our housing activities, we make every attempt to create pleasant and enjoyable surroundings for our residents. Through the provision of retail, commercial and welfare facilities, we seek to improve the residents' quality of life and provide a focal gathering point for the local community.

In the past year, new shopping centres in Tin Ching, Choi Ying, Ching Ho and Upper Ngau Tau Kok Estates were completed, adding a further 6 000 m² of retail spaces to our portfolio. With the divestment of a major share of our retail and car parking facilities to The Link REIT in 2005, our total stock currently stands at some 159 240 m² of commercial and retail spaces, 27 000 car parking spaces, as well as various factories, welfare and miscellaneous premises.

While the occupancy rate of our car parks has slightly increased, charges remained at 2008 levels in view of the uncertain economic climate. At the same time, providing incentives for regular car park users, we continue offering parking coupons at 20% discount for bulk purchases of 50 coupons or multiples thereof.

Better Business Environment

In October 2006, we introduced the Enhanced Marking Scheme (EMS) for improving the cleanliness as well as the business environment of our shopping centres via the allocation of demerit points for various misdeeds. The EMS has proven to be highly successful as a deterrent. So far, 198 warnings have been issued based on 150 cases when points were allocated. Over 90% of these points were related to obstructions in public areas. In parallel with this penalty system, an Incentive Award Scheme was launched with the same objectives. Under this scheme, incentives and awards are presented on a quarterly basis with a number of categories, including Best Toilet Management and Best Hygiene for Food Premises, in order to encourage the maintenance of cleaner and more pleasant surroundings. Public Housing Surveys showed that customer satisfaction levels are significantly raised through both greater community participation and the improved surroundings.

Ensuring Quality Service

To warrant the quality of the new and existing HA developments and alteration works, we have an Independent Checking Unit (ICU) to provide third party monitoring and control of our buildings and facilities, including those commercial uses which are now owned and managed by The Link REIT.

We also collaborate with our service contractors to deliver high quality estate services. In order to promote mutual understanding with our PSAs, members of EMACs, local political parties as well as our frontline staff, the HA regularly hold meetings and partnership workshops to forge trust, co-operation, commitment and partnership.

To further increase service standards and build a professional workforce, we help to provide training opportunity to the PSA staff, around 200 PSA frontline staff were sponsored to attend and complete the course "Certificate in Public Housing Agency Management Course" organised by the Hong Kong Polytechnic University.

Apart from this course, refresher courses focusing on the maintenance of building services installation were held in February and September 2009 to share with the PSA technical staff on maintenance activities in which site safety

and quality assurance were the major topics.

Enhancing Public Health and Hygiene

Promoting Responsible Behaviour

The Marking Scheme for Estate Management Enforcement was proven to be highly effective. A warning system is in place for 12 out of the 28 misdeeds under the Marking Scheme. Penalty points are only allotted if the offender ignores one written warning and repeats the same misdeed despite the warning.

In response to the large number of complaints with regard to dripping condensation from air-conditioners, "water dripping from air-conditioner" was added to the list of misdeeds in January 2009, allotting five penalty points to offenders if no corrective action was taken after warnings have been issued. For PRH blocks already equipped with the necessary drainage for collecting air-conditioners condensation or where such installation is not required, this measure has been enforced since 1 January 2009. In those blocks yet to install these drain-pipes, enforcement will be taken in two months after the completion of installation work.

As of 31 March 2009, a total of 335 written warnings had been issued. There were 3 808, 172 and three households on the list with less than 10, 10 to 15, and 16 and more points respectively. We have also taken enforcement actions against spitting and littering in our estates. In 2008/09, a total of 664 fixed penalty tickets were issued to the offenders.

Combating the Spread of Disease

In view of the threat of avian flu in December 2008, we continue to take a tough stand in our battle against the spread of the disease. Measures include maintaining a higher degree of cleanliness and hygiene in our markets, especially those with live poultry stalls, as well as attempting to minimise the presence of pigeons and other wild birds in our estates.

We have also taken different actions to prevent the occurrence and

spread of bird flu within the estates by:

- Prohibiting residents from feeding feral birds;
- Frightening birds away from the vicinity of our estates, using methods such as the hanging CDs on trees; and
- Hiring special cleaning contractors to clean and disinfect areas with bird droppings and, more importantly, to ensure the proper disposal of sick or dead birds found in our estates.



A clean and green living environment is
conductive to good health

To prevent mosquito breeding and dengue fever, we have proactively undertaken precautionary approach against proliferation of mosquitoes:

- Make every effort to eliminate the accumulation of stagnant water whether in flower beds and playgrounds, drains and uneven paved ground, or the natural surroundings.
- Carry out inspections by anti-mosquito special cleaning squads at least once a week while also apply larvicidal oil in suspected areas such as drains, gullies and roof gutters.
- Install a total of 240 mosquito traps so far in our estates together with "fog guns".
- Take stepped-up actions in response to the ovitrap indexes regularly published by the Food and Environmental Hygiene Department (FEHD).
- Allot five penalty points to tenants who are found "causing mosquito breeding by accumulating stagnant water" under the Marking Scheme.
- Arrange roving carnivals in 43 estates to spread the message and raise greater awareness of the problem.

In order to keep the estates in a clean and tidy manner, we encouraged our residents to work hand-in-hand with us. Operation Tai Ping Tei, our major initiative in this direction, continues to be organised on a quarterly basis. At the same time, 1 185 cleaning exercises were carried out with the support of 6 223 residents and volunteers in

2008/09.

Eradicating Illegal Cooked Food Stalls

We make every attempt to maintain a clean and safe living environment for our residents. With regard to the enforcement, our anti-illegal hawking operations are hosting a crucial role. According to our latest Public Housing Survey, majority of our tenants (69.2%) were satisfied with the cleanliness and hygiene in the public areas of our estates. This positive response is largely attributed to the efforts of our Mobile Operations Unit (MOU). However, MOU staff often worked under pressure and even faced dangers in the course of their duties; two of them were injured by a hawker during an anti-illegal hawking operation last year. Concerned with the situation, sufficient backup and support are given to our MOU staff when discharging their duties.

During the year, 14 114 raids by housing staff and 176 joint operations with the FEHD and the Police against illegal cooked food hawking activities were carried out, with 88 arrests and 375 seizures. Seven penalty points were allocated under the Marking Scheme to three households by the end of March 2009 due to their misdeed of "Illegal hawking of cooked food".

Special Arrangements for Mid-Autumn Festival

In view of the nuisance caused by melted candles as well as the possible danger of causing fire, our residents have been asked to stop their children from boiling wax during the Mid-Autumn Festival. Apart from being a misdeed under the Marking Scheme, a fixed-penalty fine of HK\$1 500 is also imposed for littering or leaving melted candle wax in public areas.

For better enforcement, about 400 staff from the MOU and Regional Patrol Teams stepped up patrols over the festive period,

paying attention particularly to areas with high potential of a great deal of lanterns and candles. More than 500 verbal warnings and two fixed-penalty tickets carrying HK\$1 500 fines were issued during the three-day period.

We have also taken this opportunity to spread out the message of waste recycling. HA took part in the Moon-cake Tin Box Recycling campaign organised by Friends of the Earth (HK) FoE(HK). Under the programme, special collection counters as well as temporary recycling containers were set up at our estates.

Fostering Harmonious Families

In 2007, we worked in line with the government's policies to foster harmonious homes and strengthen ties within families in Hong Kong. A series of housing schemes promoting the idea of "Harmonious Families" were introduced to encourage family members to live either closer to or with their parents or elderly relatives to facilitate caring of each other. In addition to provide better care and attention for the elderly and the disadvantaged, the schemes facilitate "ageing in the community" while also help fostering a culture of care and mutual support in the neighbourhood.

The Harmonious Families Priority Scheme was introduced on 1 January 2009 as a booster of these initiatives. This scheme replaced the two original priority schemes - the Families with Elderly Persons Priority Scheme and the Special Scheme for



The Housing Department's poster reminds



Encouraging ties with elderly and neighbourhood

Families with Elderly Persons. The new scheme makes it easier for Waiting List (WL) applicants to live with and care for their elderly relatives. In addition to awarding a credit for waiting time of six months, a qualified PRH applicant who chooses to live with at least one related elderly member under a single roof may opt for any WL district, while an applicant with a nuclear family and at least one related elderly member has the choice to live in two nearby flats in any non-urban WL district.

To encourage young and elderly PRH families to move closer to each other for mutual help and support, the Harmonious Families Transfer Scheme was launched to work alongside with the Harmonious Families Priority Scheme. During the year, 1 000 flats were set aside for this scheme and the application period was extended from one month to two to allow more time for interested parties to submit their applications. For those tenants in PRH who are wishing to move to a more popular WL allocation district, the residence requirements were shortened to seven years, and to just five years for families with children aged below six or expected child with 16 weeks gestation or more.

There were around 2 400 waiting PRH tenants and nearly 1 790 WL applicants were benefited and housed from the above schemes.

Staff Development and Participation

Staff are the cornerstone of any organization. The quality of our services is determined by the quality of our staff. With the escalating expectations of our residents and the community, HA invests a lot on our staff to ensure they are competent to cope with the escalated demands from our stakeholders as well as to create for staff a caring working environment.

Staff Development Targets for 2008/09	Progress
Enhance staff environmental awareness and knowledge by soliciting and analysing training needs, organising seminars, displaying of environmental issues at HA Headquarters and providing environmental messages on the e-Learning Portal.	Fully Met
Review and monitor environmental awareness of HA staff by reviewing the need for in-house telephone surveys and enhancing general awareness by undertaking training and improving communication strategies.	Fully Met

Building Core Competencies

Training always plays a key role in building a quality workforce, not only making sure that we lift our service standards but also to meet, manage and triumph over new requirements and challenges. This is particularly true for us as we present ourselves as a caring service provider to our residents by taking their needs into consideration in the management of our housing programme.

Staff must also cope with new and emerging technologies as well as alternative ways of doing things. The development of Enterprise Resource Planning (ERP) to replace existing finance, procurement and estate maintenance systems will involve reviews and changes of existing procedures and processes. Through offering a wide range of programmes and learning initiatives, our Training and Development Centre works in close partnership with business divisions to ensure that our staff acquire the job skills as well as the social and emotional skills in order to meet these changes and carry out their responsibilities both ably and effectively. In addition, we provide a flexible e-Learning platform to encourage self-learning among our staff.



Training Class for HA staff

For maintaining long-term sustainability and performance of a quality workforce, we conducted a study on Occupational Health and Safety practices within the HA. As a result, we launched an Office Safety Inspection Exercise with more than 250 trained Office Safety Inspection Assessors to check our premises against an

established checklist, hence ensure that we provide a good quality working environment that brings out the best to our staff.

To enhance the staff relations, our staff associations organise a wide range of activities on a regular basis to create a harmonious working environment and help our staff build up a sense of belonging. The activities included eco tours, trips outside Hong Kong, dinner gathering as well as participation of social/volunteer programmes.

Volunteering programme

To further promote the awareness of residents in building a harmonious living environment, a wide range of volunteering programmes was launched. Some of the activities organised are outlined below.

■ SO GOOD to Share the Warmth and Joy in Tin Shui Wai, which was a joint event with TVB artist and Housing Department Voluntary Corporation (HDVC) at Tin Tsz Estate and Tin Wah Estate to deliver gifts to Elderly of the estates. A total of 10 volunteers participated in this event to spread the meaningful message to the community.



SO GOOD to Share the Warmth and Joy
in Tin Shui Wai

■ Po Leung Kuk Charity Walk 2009, 24 HA volunteers formed a team to take part in the charity walk from Hong Kong Stadium to Aberdeen Country Park. Our team finished the charity walk with HK\$22 298.40 raised.

■ Hong Kong Tree Planting Day 2009, 69 of our staff formed a team to partake in this function at Ma On Shan Country Park.

Swine Flu information

The human swine influenza related knowledge has been uploaded onto the portal by the General Sub-section.

The Department Staff Circular Memorandum No. 7/2009 also directs staff to visit the website of the Centre for

Health Protection for up-to-date information on human swine influenza. The Swine Flu Emergency Action Plan has also been uploaded onto the Estate Management Community of the intranet for the quick reference of management staff.

Our Economic Performance

- Financial Performance
- Housing Rent Policy
- Resource Optimisation
- Operation with Cost-Effectiveness

2008/09 was a difficult year in the wake of the dramatic financial tsunami. We implemented a series of measures to alleviate financial difficulties experienced by our stakeholders including the contractors and tenants. The measures included reduction of on-demand bonds from 10% to 3% in foundation and new works building contracts, the early payment of insurance premiums, shortening the payment period from 21 days to 14 days, additional interim payments between monthly payments for new works contracts, and new interim payments for estate works orders for maintenance work. These initiatives were introduced in the spirit of partnership and collaboration that we shared with our contractors.

During the year, the programme for several projects was also advanced in response to the government's call for the creation of job opportunities in view of the financial tsunami and the resulting economic downturn in 2008/09. These included the Demolition of Kwun Tong Flatted Factory, the construction of the Amenities and Community Building at Tin Shui Wai Area 104, and the integrated contract for the Design and Construction of Kai Tak Site 1B. To ensure the sustainable economic performance of HA, especially during the economic downturn, we have made the best use of materials and the latest building techniques for achieving functional and cost-effective construction solutions, while enhancing quality, safety and living environment for our residents.

Economic Performance Targets for 2008/09	Progress
Implementing the new rent adjustment mechanism and following up the outcome of the Review of Domestic Rent Policy	Fully Met
Continue to minimise the vacancy of Public Rental Housing (PRH) estates.	Fully Met
Conduct tenancy control and education campaigns with an aim to reduce abuse of housing resources.	Fully Met
Continue on assessment of older estates and enhance their preventive maintenance, restoration and improvement.	Fully Met

Financial Performance

HA is financially autonomous. Our massive public housing programmes are sustained through internally generated funds. A financial review for 2008/09 is provided in our Annual Report.

Overview of our financial performance

Consolidated Income Statement for the year ended 31 March 2009

	HK\$ M
Consolidated Operating Account Surplus	4 111
Funds Management Account Deficit	(4 007)
Agency Account Deficit	(7)
Surplus for the Year	97

Breakdown of Consolidated Operating Account Surplus in 2008/09

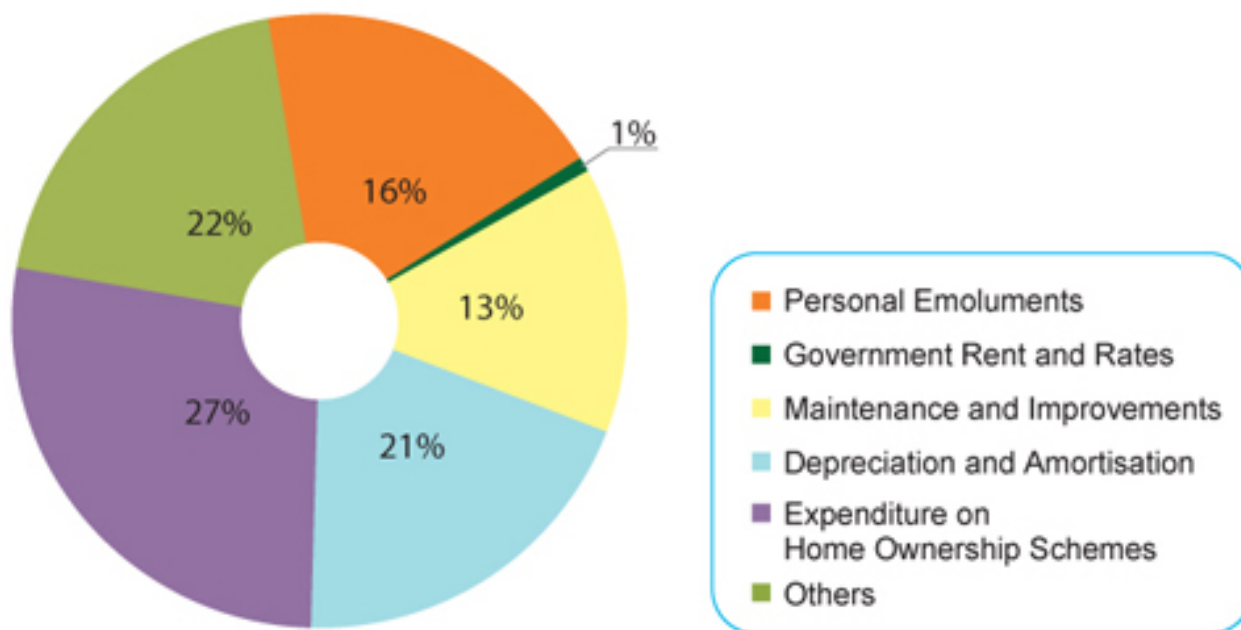
	HK\$ M
Rental Housing Operations Deficit	(1 146)
Commercial Operations Surplus before exceptional items	536
Home Ownership Assistance Operations Surplus before exceptional items	4 711
Surplus for the year before special income and exceptional items	4 101
Add: Special income	12
Less: Exceptional items	(2)
Consolidated Operating Account Surplus for the Year	4 111

Capital Expenditure for the fiscal years 2004/05 - 2008/09

Items	HK\$ M				
	2004/05	2005/06	2006/07	2007/08	2008/09
Construction	7 228	3 467	3 634	4 950	5 845
Improvement Works	174	214	107	162	249
Computer Systems	105	84	111	117	107
Total Capital Expenditure	7 507	3 765	3 852	5 229	6 201

As of 31 March 2009, the HA's funds available for investment stood at HK\$56 375 million, an increase by HK\$828 million as compared against 31 March 2008.

Analysis of Recurrent Expenditure 2008/09



Housing Rent Policy

Rent Adjustment

On 1 January 2008, we introduced a new rent adjustment mechanism for PRH. Replacing the statutory 10% median-rent-to-income ratio cap, the new mechanism enables rent adjustments according to changes in tenants' household income. This new rent policy, which seeks to match rents more closely to tenants' affordability, better meets our objective to provide PRH for those in genuine need, thus promoting the long-term sustainability of our PRH programme.

Under the new rent adjustment mechanism, a review of PRH rents will be conducted in every two years. The first review will take place in 2010. The rate of rent adjustment for PRH will be determined by the rate of change in the income index, subject to a ceiling of 10% for rent increase.

During the year, under the government's inflation mitigation measures to support the disadvantaged in Hong Kong, rent-paying families in PRH, except those who are paying additional rents, did not have to pay rent for three months from August to October 2008, with the government bearing these costs. In addition, all tenants were able

to benefit from our arrangements to pass the government's rates concessions on to them for the entire 2008/09 year.

Rent Assistance

Introduced in 1992, our Rent Assistance Scheme (RAS) continues to help PRH tenants suffering from temporary financial hardships.

Under the scheme, recipients are able to obtain a rent reduction of either 25% or 50%, depending on their circumstances. The scheme has been reviewed from time to time and the eligibility criteria have been relaxed, making the scheme more readily available to tenants who need the assistance. There were 11 960 families paying reduced rents under the RAS as at the end of March 2009.



The Rent Assistance Scheme (RAS) aims to help tenants who have temporary difficulties.

Rent Concession

As a quick response to the outbreak of the global financial tsunami since September 2008, we offered rent relief to retail and factory tenants. A concession in rental at 50% of the net rent, excluding rates and air-conditioning charges, was given to retail and factory tenants for the 2-month period from January to February 2009. For factory tenants, flexible approach has also been adopted on top of the existing rent review mechanism for renewing fixed term tenancies.

Resource Optimisation

It is our fundamental role to provide Public Rental Housing (PRH) to those who cannot afford housing in the private rental market. In 2008/09, around 25 000 flats were allocated to Waiting List (WL) applicants, with an average waiting time of 1.8 years for general applicants and 1.2 years for elderly one-person applicants.

	Average Waiting Time for PRH	
	Our Target	Actual Waiting Time
General Applicants	3 years	1.8 years
Elderly One-person Applicants	2 years	1.2 years

Reducing Vacancy Rates

With an aim to boost the acceptance rate of less popular flats and maximise the use of our housing resources, we have launched the 13th Express Flat Allocation Scheme (EFAS) in July 2008. Under this initiative, eligible applicants applying for PRH estates will have two opportunities to choose a housing unit. A total of some 2 110 families, including 50 families from the 12th EFAS exercise, were allocated flats by the end of March 2009.

To further reduce the vacancy rates of our housing resources, we also offer incentives to applicants who are willing to move into flats with relatively long vacancy periods. Applicants moving into flats that have been vacant for 12-24 months or over 24 months enjoy 50% reduction for eight months or 12 months respectively. In 2008/09, 2 160 flats were let out under such arrangement, among which 1 210 flats were let through EFAS.

Combating Tenancy Abuse

To eliminate abuse of public housing resources, we therefore established the Public Housing Resources Management Sub-section to keep a close watch on suspected cases of tenancy abuse, carrying out investigations and in-depth enquires if warranted.

Over 6 800 investigation cases of suspected tenancy abuse were conducted during the year. The sub-section also checked the declaration record of another 5 700 cases or so to determine tenant eligibility for subsidised housing. Their efforts are supported by preventive measures taken by the District Tenancy Management Office - the biennial inspections of public housing



Photo showing the leaflet for combating tenancy abuse

flats, for example, together with their day-to-day management duties and tenancy knowledge. These joint efforts, together with the voluntary surrender of flats due to other reasons, resulted in the recovery of PRH units in the year for re-allocation to needy families.

The root cause of tenancy abuse is tenant's attitude, and we saw education as the fundamental approach to prevent future cases. Publicity programmes like posters, leaflets, video and community outreach activities were thus organised to promote the value and benefits of public housing, reminding tenants to cherish public housing resources.

Tackling Rent Arrears

To prevent and combat rent arrears of our PRH and commercial tenants, we believe making it easier for tenants to pay their rents and to pay them on time is the best approach. Under this principle, we have launched several initiatives:

- Alternative Counter Collection Channels (ACCC) allowing tenants to pay their rents at over 900 convenience stores and more than 50 Customer Service Centres at MTR Stations;
- Direct transfer of rent allowances for Comprehensive Social Security Assistance households from the Social Welfare Department to the HA; and
- Publicity programmes encouraging tenants to give ACCC a try.

Since our expanding rent collection networks, we have seen a steady and encouraging decrease in rent arrears.

The rate of rental arrears fell from 3.5% to below 3% during the year.

The previous rent enquiry hotline service has also been expanded with the establishment of internet services in December 2008. Tenants can now check their current rent status and their six-month rent payment history online.

In addition, 100 Rent Enquiry Kiosks have been installed by March 2009, enabling tenants to check their rents payable and, if required, to print a rent enquiry advice slip for payment.

Disposal of Surplus HOS

With the repositioning of the government's public housing policies in 2002, we ceased the production and sale of Home Ownership Scheme (HOS) flats. With a stock of 16 700 HOS flats on hand, we commenced a programme to sell these surplus flats in an orderly manner from 2007 onwards.

Phase	Commencement Period	Surplus HOS Flats Offered for Sale	HOS Flats Sold	Percentage of HOS Flats Sold
Phase 1	January 2007	3 056	3 052	99.87%
Phase 2	August 2007	3 255	3 255	100%
Phase 3	February 2008	3 052	3 018	98.89%
Phase 4	September 2008	3 221	1 900	58.99%

The first three phases of this programme were very well-received by the public with sale rates near 100%, resulting in a total of 9 325 flats being sold. However, due to the global economic crisis and the uncertain outlook in the local economy starting from the fourth quarter of 2008, the fourth sales exercise recorded only 1 900 out of the 3 221 flats (about 59%) offered for sale were sold by the end of the sales period. Considering the sales result of the fourth sales exercise and the market conditions, we have decided to put about 1 400 flats on sale under the fifth sales exercise in the fourth quarter of 2009. We will also be keeping a close watch on market conditions when formulating future sales programmes for our residual stock.

During the sales of surplus HOS flats, the sales literature has been



Sale of Surplus HOS Flats Phase 4

prepared in compliance with internal and external guidelines, including Circular Memorandums issued by the Legal Advisory and Conveyancing Office of the Lands Department; guidelines issued by the Real Estate Developers Association of Hong Kong; reports issued by the Law Reform Commission of Hong Kong and publications issued by other relevant parties.

Operation with Cost-Effectiveness

Even with the highest levels of social and environmental sustainability, our housing programme would not be sustainable if we do not sustain economically, through both functional and cost-effective design.

Cost Effective Design

Taking into account the site constraints and the optimal utilization of development potential, non-standard site specific domestic buildings have been built since 2000. A library of "Modular flat design" was drawn up in 2008 from the experience of building these diverse building developments in recent years. The modular flats aim to achieve an optimum design in the best interest of residents, less environmental impact, as well as greater efficiency and productivity through wider use of mechanised building process.

According to building tenders received in February/March 2009 and cost consultant reports, construction costs for our superstructures were in general some 36% lower than similar projects in the private sector. With a new software introduced to optimise the structural design of our buildings, it is hoped that this figure will improve even further.

Procurement

The HA's procurement strategy reached an important milestone this year. To make the best use of external resources for innovative design and technology advancement while at the same time maintaining our necessary quality controls, we launched a new Integrated Procurement Approach for the PRH development at Kai Tak Site

1B. This new mode serves to integrate innovative ideas in design and production, research, wider use of mechanized building process to realize the concept of sustainable development.

Ensuring Building Quality through Independent Checking Unit (ICU)

As our buildings do not fall under the control of the Buildings Ordinance, the Independent Checking Unit (ICU) provides third party monitoring and control of all existing and new HA developments and alteration works which operates in line with the Building Department's practices. Reporting directly to the Director of Housing, the ICU receives support and guidance from the Director of Buildings as well. ICU is also responsible for other duties to ensure building quality including:

- Under delegated authority from the Director of Buildings, responsible for exercising the Building Authority's powers over former HA buildings under the Home Ownership Scheme and Tenants Purchase Scheme as well as the commercial facilities now owned and managed by The Link REIT.
- Regulate the use of all lift and escalator installations within our estates in line with the Lifts and Escalators (Safety) Ordinance.

Total Maintenance Scheme (TMS)

Instead of passively reacting to a complaint or an enquiry regarding maintenance, we have established a proactive approach - TMS, which set up a cycle of maintenance and refurbishment for all PRH estates. Our In-flat Inspection Ambassadors visit flats to check if repairs are necessary. Minor repairing are carried out on the spot while works orders are issued immediately for more serious problems. Aiming to complete the inspection of all PRH estates within a five-year period, our ambassadors have visited some 188 400 flats, with an access rate of 85%, in 102 estates



The Total Maintenance Scheme features proactive in-flat inspections and prompt repairs

since the Scheme's inception in February 2006. Repairs have also been completed in 51 estates with 147 950 repair work items at a cost of HK\$293 million.

A computerised TMS System (TMSS) supports this scheme, not only maintaining accurate maintenance records and maintenance histories of individual flats, but also helping with the issuing and processing of works orders as well as scheduling of appointments and repair works. Our ambassadors can have real-time access to this information while conducting inspection through the use of Personal Digital Assistants (PDAs). Tenants can make inspection appointments, check maintenance progress and provide comments and feedbacks on TMS through our maintenance hotline.



Photo with HA's staff taking the hotline calls

Promoting awareness and the value of the TMS to our tenants, the Maintenance Education Path in Tai Wo Hau Estate as well as Mobile Maintenance Education Booths which have been staged in 74 estates so far have attracted a total of 21 600 interested visitors. Customers' satisfaction surveys reflected that the TMS is well recognised by our tenants. With the introduction of the Scheme, the overall satisfaction for repair and maintenance services significantly increased from 40% to 86% (households whose maintenance works had been completed by October 2008). At the same time, 73% of these households felt that TMS was "very effective" or "effective" on improving the standard of our in-flat maintenance works. Building on the momentum of these positive responses, we have extended the TMS system to a permanent scheme that will cover other aspects of our maintenance and improvement activities.

Comprehensive Structural Investigation Programme

With the synergy of the TMS and our Comprehensive Structural Investigation Programme (CSIP) as well as the Estate Improvement Programme (EIP), we can maintain the quality of our estates, increase the life-span, and ultimately ensure the sustainability of our housing stock.

The CSIP focuses on the structural safety, the cost of repairs and the quality of accommodation provided by estates that are over or approaching 40 years old. During the year, investigations of Wah Fu Estate and Ping Shek Estate were completed, leading to the decision to extend the lifespan of these two developments for a further period of 15 years. Necessary repairs and improvements will be made in conjunction with the EIP, which seeks to revitalise our older buildings while strengthen community bonding within the estate. At Ping Shek Estate, for example, improvements will include the installation of lifts, which are currently not available, in the low-rise blocks.

In the coming year, we will be looking into the sustainability of four other estates - Mei Tung, Kwai Shing West, Lek Yuen and Oi Man Estates. Over the next decade, the CSIP will investigate a further 32 ageing estates.

Market-oriented Letting Strategies

Most of our retail premises are let at market rents through open tenders and direct negotiations. Aiming to boost our letting rates in relation to less popular shops and spaces, short-term letting strategies such as Open Instant Tenders, Walk-in Applications and the designation of vacant shops for multiple trades are also accepted. The trade mix of our premises undergoes regular reviews and new trades are introduced in line with market trends.

To ensure competitiveness and cost-effectiveness in the management and leasing of our retail premises, we have also employed specialist consultants to provide professional advices.

Maximizing usage of commercial premises

In addition to enhancing the retail potential of our commercial premises, we also explore measures to maximise the usage of less popular spaces for the benefit of the community. Successful lettings have been achieved through rearrangement of commercial premises.

Locations	Initiatives	Status
Tin Heng Car Park	Renovation on the first, second and fifth floors to a Telebet cum Volunteers and Training Centre	Close to complete, to be opened in April 2009
Nam Shan Market	Re-ordering of some market stalls to a larger shop for agricultural and fisheries products	Completed
Siu Hong Court	Convert market stalls to a food catering centre of some 244 m ²	Completed
Fu Shan Market	Market stalls converted into a single shop	Completed



Outlook of Tin Heng Carpark



Tin Heng Carpark - Main Entrance of Telebet Centre at Mezzanine Floor

We are also devoted to the provision of welfare facilities for the community. During the year, 6 290 m² of additional spaces were transformed into neighbourhood centres, day care centres, residential care homes for the elderly, social outreach offices, youth centres, as well as counselling centres.



Tin Heng Carpark - Telebet Centre at 1/F



Tin Heng Carpark - Volunteers & Training Centre at 5/F

At the same time, we enhanced the business environment and improved the retail potential of our estates through extensive renovation works, ranging from facelifts and better lighting, more attractive shop-fronts and ceilings, to improvements of toilets and air-conditioning systems.



Appearance of Nam Shan Market after Renovation



Appearance of Nam Shan Market after Renovation

The Best Use of IT

We continued to make significant investments in IT to further streamline our operations; to enhance our service efficiency and to provide more convenient services to our residents.

In October 2008, we marked a new era in our IT operations with the release of the new web-based Non-Domestic Management System, which ended the use of mainframe computers in our operations. The launch of internet services during the year was another significant achievement with its provision of both better and more convenient services for tenants. The use of these services by tenants has been growing steadily and further web-enabled functions will empower both our business growth and our customer engagement.

In recent years, new enabling technologies, such as facial recognition, use of 3D computer aided design, PDAs, imaging and mobile devices have provided the IT solutions and new ways to conduct and streamline our operations. The implementation of the Mobile Application System for Housing Management (MASHM) since 2008 replaces the previous paper-based Biennial Declaration made for PRH tenants. This practice can greatly save the

time and effort of our staff. This application was also honoured a bronze award in the Best Public Service Application (Transformation) category of the Hong Kong ICT Awards 2008.

To improve efficiency and enhance security, estate management and imaging systems improvement has been completed to automate tenant applications with regard to changes in household members and temporary stays. This use of imaging technology in tenancy management can also reduce paper consumption significantly.

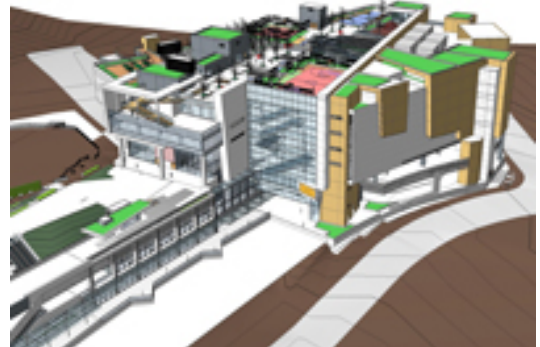


Image of the 3D Computer-aided design

Stakeholder Engagement

- Community Engagement
- Engagement of Tenants and Business Partners
- Staff Engagement

Sustainability in housing can only be achieved by working hand-in-hand with our stakeholders. From planning, design, construction and management of our estates, we have identified different stakeholders who share different interests. To proactively engage them and understand their expectations, as well as letting them understand the rationale behind our decisions, we have organised various engagement initiatives.



Stakeholder Engagement Targets for 2008/09	Progress
Conduct various initiatives for our staff, active communications with staff and obtain feedback to enhance operational effectiveness.	Fully Met
Continue to actively work with relevant stakeholders to promote better understanding of our policies and initiatives through different publicity channels.	Fully Met
Collaborate with green groups to conduct environmental awareness programme in PRH estates.	Fully Met
Promote green management initiatives in PRH estates by joining the Hong Kong Awards for Environmental Excellence - Section Awards (Property Management).	Fully Met
Promote environmental awareness in HOS estates by liaising with Property Management Agents (PMAs) to organise activities for residents in HOS courts and by referring environmental messages from the EPD to PMAs.	Fully Met

Community Engagement

Since 2002, a number of community engagement exercises (including workshops, consultations, exhibitions and competitions) have been held for gathering views and ideas, resolving issues and developing trust and consensus. They are proven to be effective in consolidating community views and deriving the best solutions for improving the planning and design of PRH estates and its ancillary facilities.

Community Workshop for Major PRH Developments

To enhance the level of participation, we have further committed in the Summit on District Administration in May 2008 to organise community workshops for major PRH developments to obtain views from wider spectrum of the public at the planning and design stages for matters such as infrastructure design. This serves to strengthen the role played by PRH residents and District Councils through regular consultation process. Recent public engagement workshops for So Uk Estate Redevelopment and new PRH development at Anderson Road demonstrated the success of getting public consensus.

HA held the Community Engagement Workshop on Anderson Road Public Housing Development on 29 November 2008. Around 100 participants from different sectors were divided into seven teams for group discussions on matters concerning estate and community facilities, access links and supporting transport services. Through the active discussions, the consolidated views facilitated us in making modifications to the planning of the

development project at Anderson Road in response to the aspirations and needs from the local community as far as possible. It also helped the government departments in reaching a consensus on finalising the way forward and the scope in planning the community facilities.



Community Engagement Workshop on Anderson Road Public Housing Development

Preserving our Housing Heritage

While the redevelopment of several historic estates are underway, we put extra efforts on producing documentary videos and photo albums to provide a glimpse of life as it was used to be in Shek Kip Mei, So Uk and Lower Ngau Tau Kok Estates. These videos and photo albums provide a fond farewell and a memorable gift to outgoing households.



Shek Kip Mei Estate



Shek Kip Mei Estate



So Uk Estate

Lower Ngau Tau Kok Estate

For Lower Ngau Tau Kok Estate, we are also working in partnership with a local NGO to produce a book based on oral history records provided by tenants who used to live there.

Greater EMAC Involvement

Since 1995, we have established Estate Management Advisory Committees (EMACs) in 136 PRH estates. We believe EMACs can foster closer ties within the communities, create a stronger sense of belonging among residents and harmony in the localities, as well as improve the efficiency of estate management. We have further adopted the concept of "neighbourhood management" in the operation and maintenance of our PRH estates. In this regard, we seek to cooperate with community centres and service agencies within our estates, as well as district councils and non-governmental organisations (NGOs) to provide help and support for local residents.

Taking this initiative ahead, we held a series of five partnership symposiums over the Lunar New Year in 2009 with around 1 700 participants, bringing EMACs and NGO members in the local neighbourhood together. The underlying objective was establishing close collaboration with these organisations and they will underpin the foundation of a community network that help residents to reach out to each other as friendly and helpful neighbours.

Effective Communication Instruments

Media Relations

Media is a very useful channel for keeping the public informed and to foster greater understanding of our activities.

We maintain close dialogue with the media, who help to spread our messages through newspapers and magazines, TV and radio.

During the year, our News Section issued 49 press releases, arranged 30 press briefings, handled 844 media enquiries, and 1 114 complaints and enquiries referred by the media.

Messages on Air

"Messages on Air" are churned out to keep PRH residents and the public updated on our policies and initiatives. In 2008/09, we produced 32 messages for broadcast on radio channels, covering a wide range of subjects relevant to our tenants such as lift and escalator safety and prevention of epidemic diseases.

Housing Channel

We continue to produce video segments for broadcast on our Housing Channel to keep our tenants updated on important housing information. The material is broadcast via LCD monitors installed in the lift lobbies or public areas of PRH blocks. In 2008/09, we produced over 40 videos to promote safe use of estate facilities, healthy living, green practices and schemes of interest or importance to residents.

Newsletters

We publish two newsletters to inform our staff, PRH tenants and other stakeholders on important housing issues.

They are our bi-weekly online newsletter, Housing Dimensions and the bi-annual EMAC Newsletter. Housing Dimensions is produced to cover topics of interest for both our staff and stakeholders, while the EMAC Newsletter is published to keep our two million tenants informed of important housing issues, local estate news, green initiatives as well as community and estate events. Some one million copies of the bi-annual EMAC Newsletter are published every year. Major stories are also recorded on the HA Hotline, making it possible for residents who are

visually impaired or illiterate to keep in touch with us.

Electronic Communications

We fully realise that the internet has become one of the most effective communication channels. During the year, a number of our initiatives came online, not only improving our communication with but also enhancing e-services for our customers. At the end of 2008, a new service was launched on our website providing access to PRH information to our tenants, PRH applicants and the public. They can check their own rent payment history, points accrued under the Marking Scheme for Estate Management Enforcement, or the status of General Waiting List applications. Tenants can also make use of a Rent Smart Calculator to estimate the new rent payable due to foreseeable changes in family size or household income. An interactive enquiry service on eligibility criteria for PRH application was rolled out in early 2009. At the same time, Rent Enquiry Kiosks were installed in estate offices, providing additional access to rent payment information for residents. Starting from 2009, updated flat lists for all transfer schemes and the Express Flat Allocation Scheme have been available on our website to facilitate flat selection.

Corporate Visits

Sharing our experience and exchanging ideas on housing matters with visitors from around the world can broaden our exposure, benchmark our performance and help improve our performance.

During the year, we received 66 local and international delegations from governments, housing bodies, academic institutions and related professional organisations. Our visitor programmes include seminars, tours to the HA Exhibition Centre as well as visits to PRH estates and construction sites.



HA's staff leading an overseas delegation to visit a PRH estate

Engagement of Tenants and Business Partners

To make the best use of our resources and external expertises, we have outsourced a number of projects to our business partners. Their understanding of our performance quality requirements is particularly important to the quality assurance of our services and sustainable living of our residents. We therefore maintain close dialog with our contractors and suppliers to ensure they are in line with us.

Preventing and Resolving Contractual Dispute

To prevent the escalation of disputes with contractors, a Dispute Resolution Advisor System has been established. First introduced in all our building and foundation contracts in 2004, the system makes sure that we work closely with contractors to ensure the speedy resolution of disputes, so as to prevent their escalation into larger and more costly problems.

Experience Sharing with Contractors

In mid-2008, we conducted a comprehensive completion workshop for all building contracts completed earlier in the year to review the effectiveness of our contract administration.

In addition, a Site Safety Forum 2008 was organised in conjunction with the Occupational Safety and Health Council in July 2008. Senior staff from four Property Service Agents (PSAs) participated in the Chief Executive Officer (CEO) Platform, sharing their experience not only in occupational health and safety but also in better estate management. We also organised seminars on Occupational Safety, Working-at-a-Height and Safe Use of Chemicals to enhance awareness of site safety.





Site Safety Forum 2008



Seminar on Working-at-a-Height

Community Garden Programme

To encourage residents to embrace the environment and take an active part in community greening activities, we have set the objective of building five more estate community gardens each year, and we will mobilise residents to grow fruits and vegetables in the estate and share the harvest among them. In order to attract residents to join the programme, most of the gardens are located at easily accessible places within the estate, for example, open areas, bazaars and concourses. With residents' active participations, we aimed not only to raise their environmental awareness, but also to strengthen their sense of belonging and community cohesion.



Planting in the "Action Seedling" Programme



Community participation in planting

Education and Awareness Programme

Targeted at EMAC members and residents, a year long educational campaign with regard to the equitable

allocation of public housing resources was launched at Tin Yuet Estate. The campaign included publicity through the mass media as well as briefings to explain our policies to combat tenancy abuse and the need to allocate public housing resources as wisely, fairly and as rationally as possible. The campaign also aimed to raise awareness of the value of public housing among the residents and to encourage them to cherish public housing resources.

A series of educational activities were also organised within the community to enhance awareness of the importance of maintenance in public housing and to encourage resident cooperation with regard to our Total Maintenance Scheme. Maintenance Education Booths, operated by our Inspection Ambassadors, provided information on the proper maintenance and use of fittings inside flats through the use of colourful displays and videos. A full set of publicity materials with clear details on the DOs and DON'Ts in the installation of fittings was also produced and distributed to the residents.

To help educating our stakeholders on energy saving, we encouraged them to participate in the "Energy Saving Day" held in 2008. This campaign was well received by both estate frontline staff and residents, resulting in over 440 000 hours of electricity being saved on that day.



Poster design for promoting "930 Energy Saving Day"

Community Adaptation Facilitation

Tin Shui Wai is a fast growing district. With the speedy moving in of new tenants to our estates there, a lot of community supports are necessary to help them adapt to this new environment, to prevent potential social problems. In view of this, we have set up a pilot scheme of Housing Advisory and Service Team (HAST) in Tin Shui Wai to assist new tenants to adapt in the community and foster a stronger sense of belonging among them since April 2008. The major scope of services of HAST in Tin Shui Wai are:

- To assist new intake tenants in adapting to their new living environment by conducting orientation briefings, home visits and counselling services and referring needy families to the concerned departments or voluntary agencies for assistance as appropriate.
- To set up telephone hotline to answer tenants' enquiries so as to provide timely assistance to tenants
- To liaise and coordinate with EMACs, government departments and voluntary agencies to provide training, seminars or to assist such organisations to conduct outreaching services to the tenants.

Incoming tenants for instance are briefed on local schools, community centres and support services, and invited to welcoming parties which provide the basis for social networking, helping them to get to know their neighbours, estate management staff and local support organisations.

The services had proven to be well received. HAST had provided orientation briefings to 3 100 households, outreaching services to 2 000 households, 1 500 times of advisory/counselling services and home visits. A review will be conducted to explore the effectiveness of this scheme by the end of 2009.



We have also decided to work with NGOs and

Briefing of estate especially information of the converted an open car park into a six-storey Amenities and Community Building with a gross floor area of 9 500 m² in Tin Ching Estate. The ground breaking ceremony took place in December 2008. We have received an enthusiastic response from NGOs, with around 20 organisations planning to move into the new building upon its completion.

Introduction to the services of the Housing Advisory and Services Team to new tenants by social workers of the Team.



Ground breaking ceremony of the Amenities and Community Building

Community Building in Partnership with Customers and Stakeholders

In addition to the community building activities organised by EMACs, we foster to building up partnering working relationship amongst tenants, management staff and contractors through other initiatives. 44 sessions of focus group discussions with residents of TMS estates were arranged; 25 sessions of TMS seminars were held for estate staff and contractors. Furthermore, eight partnering workshops were conducted for newly awarded District

Term Contractors.

For enhancing mutual understanding with our PSAs, EMAC members, local political parties and our frontline staff, we also held regular meetings and partnering workshops to develop trust, co-operation, commitment and partnership.

Recognising Quality Services

Driving the service standards and building a professional workforce, around 200 PSA staff have completed the customised Certificate in Public Housing Agency Management Course organised by The Hong Kong Polytechnic University under our sponsorship. Refresher courses focusing on the maintenance of building services installations were also held frequently to upkeep our service quality.

Organised jointly by professional organisations and government bodies and us, our Quality Public Housing Construction and Maintenance Awards 2008 aims to recognise outstanding performance in the construction and maintenance of PRH estates. It also provided a platform for practitioners to share their experiences in quality housing improvements. Over 100 awards for quality work, environmental protection, occupational safety and health, ethics and integrity and partnership and customer activities were presented at the event. More remarkably for the year, a HA site came out with a clean bill of zero accident throughout the construction period.

In January 2009, our Estate Management Services Contractors Awards 2008 was held to commend service providers for the delivery of quality services to residents. A total of 21 outstanding achievement awards were presented to 12 property services, cleaning, and security services contractors. To recognise a contractor for her remarkable "zero accident claims" recorded during the year, we presented a special award entitled "Best Property Services Agent (Safety Management)" to her.

Feedback from Stakeholders

To continuously enhance the quality of our services, we proactively collect stakeholders' feedback to identify areas

for improvement. One of the most effective ways is carrying out our annual Public Housing Recurrent Survey (PHRS). The PHRS has been conducted since 1992. The main objectives of PHRS are collecting up-to-date information on the socio-economic profiles of the residents living in public housing and tapping their views on a host of housing-related matters for facilitating policy reviews and formulation.

The main topics covered in the PHRS 2009 include:

- Socio-economic profiles of PHRS households;
- Satisfaction levels and opinions on various estate management services;
- Perception of EMAC;
- Views on environmental protection measures;
- Opinions on schemes for fostering harmonious families in PRH;
- Households' shopping behaviours;
- Utilisation of car/bicycle parking facilities; and
- Households' future housing plans

In the PHRS 2009, tenants were most satisfied with the quality of security service at 78% among the aspects surveyed. As regards the aspect of cleanliness and hygienic conditions of common areas in PRH, tenants' satisfaction was more or less the same as last year. Majority of the tenants (69.2%) in 2009 were satisfied with the cleanliness and hygiene condition in PRH estates. Moreover, tenants' satisfaction level towards maintenance-related services continued to improve over the past few years and reached 61% in 2009.

Staff Engagement

Staff Communication

We think openness and co-operation are important to HA and our staff. Based on the results of our 2007 Staff

Opinion Survey, we launched a number of initiatives to enhance our two-way communication with staff. For example, the content of "e-Summaries" was enriched with the provision of more background information on our new housing policies, their substance and rationale. Through our internal email system, "e-Summaries" can enhance our policy transparency and help to align staff aspirations with our own goals and objectives, resulting in more committed staff and improved communication with the public. Improvement measures introduced to address staff concerns raised through the Survey are reported to all staff via the dedicated website accessed through the eHousing platform.

In parallel, different from the usual top-down communication approach, we have created platforms including Staff Suggestion Scheme, formal and informal contact with staff associations as well as in-house publication to reverse the process and genuinely listen to staff views. These staff inputs, on what works best for them in terms of both tools and processes in their day-to-day works, has led to a number of improvements and enhanced efficiencies. Some have been as basic as changing or simplifying work forms; while others, such as the greater mobility allowed by the use of PDAs, are considerably more complex.

Case Study

- Go Green in Lam Tin Estate
- Green Delight in Estates

Go Green in Lam Tin Estate

Committed to sustainable development, we have been vigorously incorporating green concepts into the design and construction of our new Public Rental Housing (PRH) estates, while at the same time encouraging residents to lead a green life. Attesting to its effort in this direction is Lam Tin Estate, i.e. Phases 7 and 8 of the Lam Tin Redevelopment Programme.

Lam Tin Estate, comprising of four 40-storey non-standard domestic blocks, has benefited from micro-climate studies in the planning and design stages of the estate. Optimizing the use of the natural environment, ventilation corridors are put between domestic blocks and at the podium garden level to facilitate better air ventilation in the estate and the neighbourhood. There is also a light atrium in each block to introduce natural lighting into the ground floor lift lobby. To draw in natural wind and make the lobby cooler in the summer, a large window has been installed on the first floor.



Phase 7 & 8 Redevelopment of Lam Tin Estate

The estate also adopted a wide range of green building services, including a pilot photovoltaic (PV) panel installation for generating



renewable energy. A total of 248 m² of mono-crystalline silicon PV modules have been installed on the roofs of three domestic blocks and on top of the covered walkway. The system can provide part of the electricity required by building services such as corridor lighting, lifts and water pumps, thus reducing the consumption of electricity

supplied by the power company. From our experience, it is estimated the system would generate 43 800 kWh electricity a year, which is approximately equivalent to the total electricity consumption of 11 normal households in a year.

Placed next to the PV modules on the roof are various measuring instruments, in which data collected from the instruments will be analysed to facilitate fine-tuning of the system and enhance its efficiency. LCD monitors will be installed at the public access of the estate that provide residents with useful weather information such as temperature, wind speed and UV index. The monitors will also display some key data of the PV system, such as the instantaneous and accumulative amount of power generated, as well as the corresponding reduction in electricity charges and the equivalent carbon emission. We hope this can give the residents a better idea about renewable energy.



Wind Sensor

Energy efficient light fittings are a major feature of the estate's indoor lighting system. With the installation of photo-sensors, lights will be automatically switched off when there is adequate natural light. To further save energy, timers controlling the daily on-off of the light are adjustable to suit the varying daylight duration in summer and winter.



Photo-Sensor Controlled Lighting



Central Refuse Compactor system

For better treatment of domestic refuse and hygiene control, a central refuse compactor system has been installed at the refuse collection point of the estate. The compactor compresses the refuse to one-third of the original volume and stores it in closed containers for disposal by refuse collection vehicles. The process is simple and efficient, and helps minimise odour nuisance.

To provide a healthier living environment for our residents, Lam Tin Estate has also implemented "common W-trap" waste water system to redress the problem of dried-up floor drains, which was identified as a pathway in the spreading of disease.

Besides adopting environmental-friendly hardware, we also encourage residents to participate in community activities and pursue green living. At the construction stage of the Lam Tin Estate, residents, schools and organisations in the vicinity were invited to take part in the Action Seedling campaign jointly organised by the HA contractors, local groups and us. Seedlings were given to participants to nurture at home and in school. They are to be transplanted into the flowerbeds of the estate upon completion of the construction. Another interesting green initiative in Lam Tin Estate is the provision of a community farm. Residents



"Action Seedling" Location for Lam Tin
Redevelopment Programme

can plant fruit and vegetables there and gain the unique experience as city farmers.

Green Delight in Estates

Stepping in the third phase, we continue our Green Delight in Estates (GDE) programme in partnership with Green Power, the Conservancy Association and Friends of the Earth(HK) FoE (HK). The programme aims to develop PRH estates into green communities, to further boost up environmental awareness of estate residents and to encourage their environmental-friendly behaviour.



Green Delight in Estate kick-off Ceremony

Sustaining the achievement of the Phase 2 programme, GDE Phase 3 programme was kicked off at the end of March 2008 under the theme "Action Blue Sky". Each of the three green groups designed in-depth education and community activities for a total of 30 selected housing estates to generate greater environmental awareness and promote energy conservation. Major activities included 930 Energy Saving Day, Green Living Carnival, Living Green Competition, Energy Saving Competition, Used Good Exchange Square, Green Living Booklet dissemination, Green Corner, recruitment and training of Green Living Ambassadors, promotion of Source Separation of Domestic Waste, etc.



Learning of green living and energy saving through games at the Green Living Carnival.



Green Corners to provide residents with the latest environmental protection activities and news

To ensure the continuous environmental commitment of residents, about 6 000 residents have been recruited and trained as Green Estate Ambassadors to spread green messages in their estates.



Outdoor training for "Green Living Ambassador" held in Kadoorie Farm & Botanic Garden.



Eco-tour to Lamma Island Wind Turbine for Yau Lai Estate

Since the launch of the GDE programme in 2005, a tracking survey conducted by the Chinese University of Hong Kong indicated that residents' attitudes and awareness had been improved. In the survey in 2008, around 70% of

the tenants had the habit of separating recyclables in the waste before disposal; while over 70% had the habit of bringing their own bags for shopping, representing a 15% increase since the launch of the GDE programme.

More encouraging findings were that the residents in the 30 selected estates with the in-depth education programmes had in general a better performance and awareness on environmental protection, especially on habit of separating recyclable waste before disposal, habit of using estates' waste separation bins, habit of reducing water consumption, awareness and support of "Housing Estate Waste Recycling Bag", self-rating of changing consciousness of recycling and self-rating of better knowledge of environmental protection compared with last year.

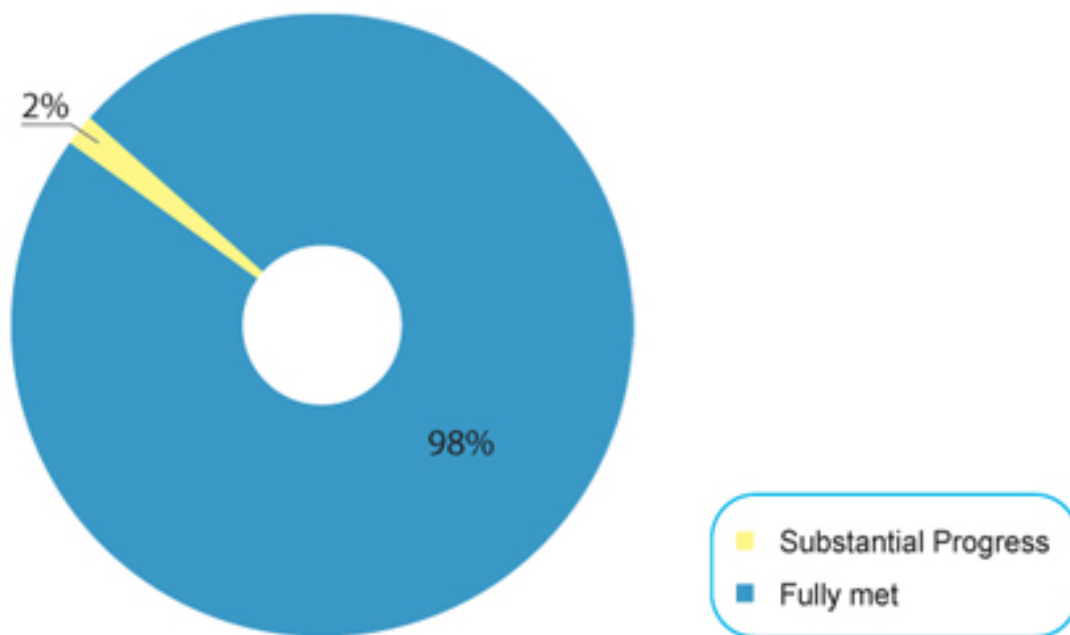
With the well-received feedbacks, the fourth consecutive Green Delight in Estates has begun in 2009. Same as previous years, we have joined hands with Green Power, Conservancy Association and FoE(HK) in organising Green Delight in Estates. The theme of 2009 programme is "Reduction Use of Plastic Bags", which encourages residents to reduce the use of plastic bags in their daily life. The three green groups will also launch in-depth educational activities in the 31 selected estates to further promote the green messages.

Goals and Progress

During 2008/09, we have set and implemented 49 targets related to sustainability development which covers various aspects such as environmental, social and economic. Details of these targets are provided in respective sections in this report.

Throughout the year, 48 targets were fully met while 1 of them achieved substantial progress.

2008/09 Target Performance



Targets	Progress	Causes	Action Plan for 2009/10
Increase domestic waste recovery rate for paper, aluminium cans, plastic bottles and used clothes by arranging publicity activities such as Waste Credit Scheme for all PRH estates	Targeted recovery rate for paper, aluminium cans and plastic bottles were fully met, with the exception of used clothes. 618.1 tonnes used clothes was recorded from April 2008 to March 2009.	The achievement is 97.2% of the set target (635.9 tonnes) for domestic waste recovery for used clothes. The result might be due to the impact of the global financial tsunami that residents tended to reduce expenses.	To continue monitoring the progress and take action as necessary

Targets and Outlook

We always strive for functional solutions and advancement in fulfilling our mission to provide sustainable housing to our residents. We will continue to incorporate appropriate sustainability principles into our operations. Our efforts will be continued in 2009/10. Through achieving various targets, we endeavour to continuously improve our sustainability performance.

Our engagement to sustainability development does not end on when targeted goals are met. We constantly challenge ourselves to ensure that our performances are getting better each and every year.

To achieve these, we have set our targets in 2009/10 as follows:

Awareness Raising Targets

Enhance community awareness on environmental protection by launching campaigns to promote waste reduction and recycling in Public Rental Housing (PRH) estates and joint programmes with green groups and Estate Management Advisory Committees (EMACs), including distributing environmental publicity materials to tenants.

Collaborate with green groups to conduct environmental awareness programme in PRH estates.

Review and monitor environmental awareness of Housing Authority (HA) staff by reviewing the need for in-house telephone surveys and enhancing general awareness by undertaking training and improving communication strategies.

Review and monitor environmental awareness in Public Rental Housing (PRH) estates by reviewing the need for surveys and providing the results to the related sections for necessary improvements.

Promote green management initiatives in PRH estates by joining the Hong Kong Awards for Environmental Excellence - Sectional Awards (Property Management).

Promote environmental awareness in Home Ownership Scheme (HOS) estates by liaising with Property Services Agents (PSAs) to organise activities for residents in HOS courts and by referring environmental messages from the Environmental Protection Department to PSAs.

Increase residents' awareness and support of greening by organising tree planting days in selected estates.

Enhance staff environmental awareness and knowledge by soliciting and analysing training needs, organising seminars, displaying of environmental issues at HA Headquarters and providing environmental messages on the e-Learning Portal.

Greening and Landscaping Targets

Promote a green environment in the PRH estates with EMACs support through the provision of green activities in estates.

Enhance greening in PRH estates by allocating open areas in selected estates for setting up thematic gardens.

Provide green treatments (e.g. hydro-seeding and tree planting) on newly formed slopes.

Upgrade the existing landscape in selected PRH estates by improving soft landscaping through Landscape Improvement Programme.

Improve the slope appearance in existing PRH estates by providing green treatments on hard surfaced slopes and improving on the existing vegetated slopes. Also, chunam surfaces will be improved through hydro-seeding stone pitching and toe planters.

Add new vegetation and promote greening in new PRH estates to meet the minimum target of one tree per 15 PRH flats. Conduct tree surveys to ensure that this is met.

Noise Mitigation Targets

Reduce noise nuisance from water pumps in PRH estates by replacing 3 000 rpm water pumps with the quieter 1 500 rpm water pumps.

Waste Management Targets

Implement Programme on Source Separation of Domestic Waste in all estates by phases.

Collect waste paper in Housing Department (HD) offices and implement various initiatives to encourage paper recycling.

Use environmentally-friendly paper in printing of all publicity materials by implementing its use as a pre-requisite in all printing jobs.

Promote waste reduction through various publicity campaigns with the aim to reduce generation of domestic waste.

Reduce A3 and A4 paper consumption in HD offices by performing various initiatives to reduce paper consumption.

Increase domestic waste recovery rate for paper, aluminium cans, plastic bottles and used clothes by arranging publicity activities such as Waste Recycling Credit Scheme or through the Green Delight in Estates.

Energy Efficiency Targets

Promote application of more energy efficient equipment by completing and monitoring a trial LED lighting system at Lam Tin Phase 7 & 8.

Reduce electricity consumption of landlord services installation in new domestic blocks by adopting Building Energy Codes and obtaining energy certificates for completed projects.

Reduce energy consumption of office premises by performing various energy saving initiatives.

Promote application of green design for building services equipment by completing and monitoring the trial PV Panel system at Lam Tin Phase 7 & 8.

Water Conservation Targets

Continue to reduce water consumption at HA Headquarters by performing water saving initiatives as appropriate.

Reduce flushing water consumption by conducting trial schemes in new projects and conducting performance reviews.

Reduce potable water consumption for installations under landlord control in PRH estates by using self-stopping water taps and conducting replumbing programmes to minimise wastage of water from pipe bursting and leakage as well as studying the feasibility of using rainwater for irrigation and general cleaning.

Material Usage and Management Targets

Further abate the remaining asbestos-containing materials in our existing properties by implementing asbestos abatement programme through estate redevelopment programme and asbestos removal works.

Use softwood timber doors in PRH estates.

Social Targets

Continue to actively work with relevant stakeholders to promote better understanding of HA policies and initiatives through different publicity channels.

Continue implementation of the Marking Scheme in all PRH estates and factories to enhance the living and factory environment.

Conduct various initiatives for our staff for example activities organised by the HA Staff Club, active communications with staff and obtain their feedbacks to enhance operational effectiveness.

Safety Targets

Incorporate safety pledge with commitment to site safety through listing requirements of service providers.

Tighten control measures for high-risk operations on site.

Continue to partner with industry stakeholders in territory-wide safety campaigns and publicity.

Improve safety of office operations with potential health and safety risks.

Continue to tighten monitoring of contractors with high accident rates.

Continue to hold regular seminars on best safety practices with the participation of contractors and project teams.
Continue to provide safety training to our staff.
Strengthen physical and management measures for tower crane operations.
Prepare best practice promotion kit for tower crane lighting.
Enhance the 'Pay for Safety, Environment and Hygiene' scheme with more performance driven initiatives for site safety.
Develop a Site Safety Portal with site safety information and multi-media materials.
Continue to issue best practice circulars to contractors, service providers and frontline staff.

Economic Performance Targets

Continue on assessment of older estates and enhance their preventive maintenance and restoration.
Conduct tenancy control and education campaigns with an aim to reduce abuse of housing resources.
Implementing the new rent adjustment mechanism.
Continue to minimise the vacancy of PRH estates.

Assurance and Verification



Scope and Objectives

Hong Kong Productivity Council (HKPC) was commissioned by the Hong Kong Housing Authority (HA) to verify its Sustainability Report 2008/09 (hereinafter the "Report") which covers HA's economic, environmental and social performance during the fiscal year of 2008/09. The objectives of HKPC's verification work are to:

- Assess whether the Report covers all relevant issues in relation to HA's performance;
- Evaluate whether the selected statements and data presented in the Report are accurate;
- Review whether the data collection and information management systems used to prepare the Report are reliable; and
- Check whether the Report conforms to the Level A+ requirements of the Global Reporting Initiative (GRI) G3 Guidelines.

Approach

Our verification procedures comprised a review of the Report, selection of a representative sample of statements and data and interviews with representatives from HA. During the interviews on 23 and 26 November 2009, the documented supporting materials relating to the selected statements and data as well as HA's management practices and sustainability initiatives were explained to and examined by our verifiers who were not involved in the development of the Report. However our verification work did not cover data and information which have already been published by the HA.

Results

Report Completeness

HA is commended for continually improving its sustainability reports. The Report conforms to Level A+ requirements of GRI G3 Guidelines and presents a balanced and comprehensive overview of HA's performance with respect to its core roles, responsibilities and activities. It provides an in-depth account on HA's waste management and energy conservation initiatives as well as its stakeholder engagement processes in managing various sustainability initiatives.

Report Accuracy

The selected statements and data examined during the verification process, with minor revisions for clarification purpose that were subsequently amended to HKPC's satisfaction, reflect an accurate account of HA's performance.

Report Reliability

The data collection and information management systems used to prepare the Report are generally considered to be effective and reliable.



K L Tsang

General Manager

Environmental Management Division

Hong Kong Productivity Council

9 December 2009

Feedback

We are pleased to notice that readers found last year's report is clear and useful, and gave us an overall rating of "Good". A selection of the comments received along with our responses are summarised below.

Readers' Comments	HA's Response
The report should provide various stakeholders' feedback on programmes implemented.	We have included more examples on our stakeholder engagement exercises conducted, e.g. public consultation, to illustrate our responses to their feedbacks.
We need to disclose more on our energy saving initiatives.	Our various effective energy saving programmes have been incorporated into this Report.
We should provide more information on our carbon audit achievements.	We have included our pilot carbon audit programme in this year's report.

For our performance and this 2008/09 Sustainability Report, your feedback will help us continually improve our performance and services as well as the report quality. We sincerely hope that you will provide your views and comments by emailing the [Feedback Form \(emu@housingauthority.gov.hk\)](mailto:emu@housingauthority.gov.hk), or by post to:

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