

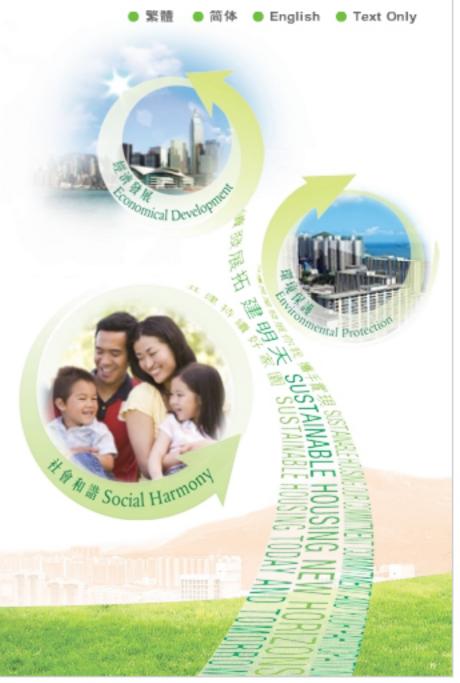
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Stepping Forward in Sustainable Housing

可持續發展報告 Sustainability Report 2007/08

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EXECUTIVE SUMMARY

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- Social Performance
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- Our Vision and Management Approaches
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The Report

This Sustainability Report 2007/08, Stepping Forward in Sustainable Housing, is the third Sustainability Report published by the Housing Authority (HA). It provides a detailed account of our commitments and efforts toward sustainable development. It clearly depicts our management philosophies, operations and achievements in relation to our economy, environment and social performance from 1 April 2007 to 31 March 2008.

This Report was prepared with reference to the Global Reporting Initiatives (GRI) G3 Guidelines and the GRI sector supplement for Public Agencies. We have also taken stakeholders' comments, views and expectations into consideration when we prepared the report.

For more information, please send e-mail to our Environmental Management Unit (emu@housingauthority.gov.hk).

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Our Vision and Management Approaches

The HA is a statutory body that develops and implements a public housing programme in providing subsidised public housing to low-income families 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 excellence and harmonious living environment.



The HA Headquarters

Our Services



HA's Public Rental Housing: Ma Heng Estate We plan, build, manage and maintain different types of public housing, including rental housing estates, interim housing estates, and transit centres. As at March 2008, we own and manage 673 800 Public Rental Housing (PRH) flats in 190 estates, around 168 130 square metres of commercial and retail facilities and 26 400 car parking spaces within our PRH estates.

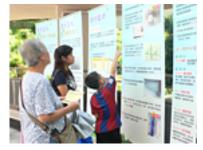
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Environmental Performance

We set 26 environmental targets for 2007/08 covering greening and landscaping, noise mitigation, waste management, energy reduction, water conservation, community awareness and hazardous materials. Of these targets, 24 were fully met and 2 fell short. Our environmental performance during the year is highlighted below.

■ Implementation of air quality improvement measures to reduce air quality impact caused by our operations

- We installed deodorisers in refuse collection points, introduced "hard-paved construction" at all building and piling sites and avoided using ozone depleting chemicals in our building.
- We participated in the "Better Air Quality Engagement Process" to collect tenants' views on ways to improve air quality.



Roving Exhibitions at Housing Estates

■ Improvement of greening and landscaping to enhance the quality of living environment

- Our "Action Seedling" continues to encourage stakeholders to nurse seedlings for planting in future development projects.
- Newly formed slopes and soil slopes, covering 870 square meters, were hydro-seeded and constructed with planters at toe and crest.
- We planted about 2 400 trees, 575 600 shrubs and 64 300 annuals in PRH estates and improved

landscape design for 22 PRH estates covering 16 000 square meters.

■ Implementation of noise mitigation measures to reduce and minimise noise nuisance

- We introduced the Enhanced Precast and Prefabrication System to further reduce construction noise nuisances to the community.
- We replaced 18 high speed water pumps with lownoise, low speed pumps in PRH estates.



"Action Seedling" Community Participation Programme

■ Implementation of waste minimisation measures to support waste reduction and recycling

- We adopted a new refuse handling system for all new developments completed after October 2005 to reduce refuse volume for storage and to prevent odour leakage.
- Our construction and development projects generated 30% less construction wastes than similar private sector projects.
- As of March 2008, a total of 90 PRH estates have participated in the programme on Source Separation of Domestic Waste and 39 PRH estates received Certificates of Merit from the Environmental Protection Department.

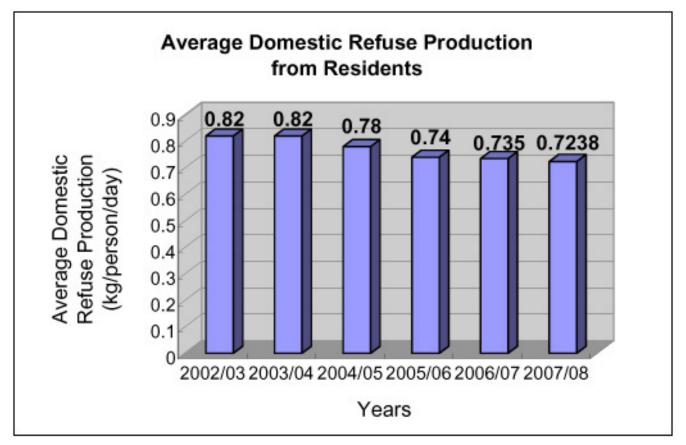


Small Scale 'Distributed Compactor System' installed in each domestic building

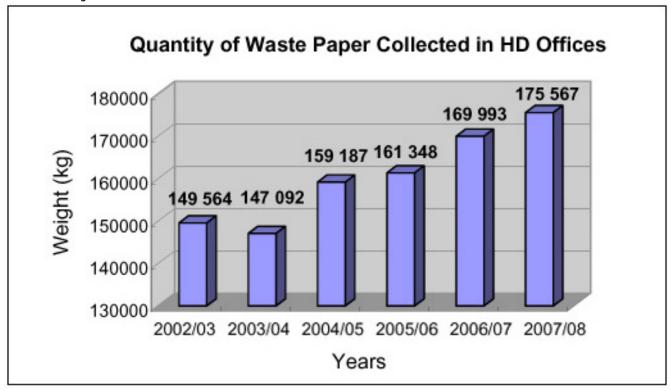


Source Separation of Domestic Waste Ceremony

- In 2007/08, we recovered 14.3% waste paper, 32.31% aluminium cans, 9.48% plastic bottles, over 9 000 kilograms of biscuit and sweet tins and 44 710 moon cake tins for recycling in our estates.
- The average domestic waste production from our residents is 0.7238 kg/person/ day representing a 11.7% reduction of total domestic waste when compared with 2002/03.

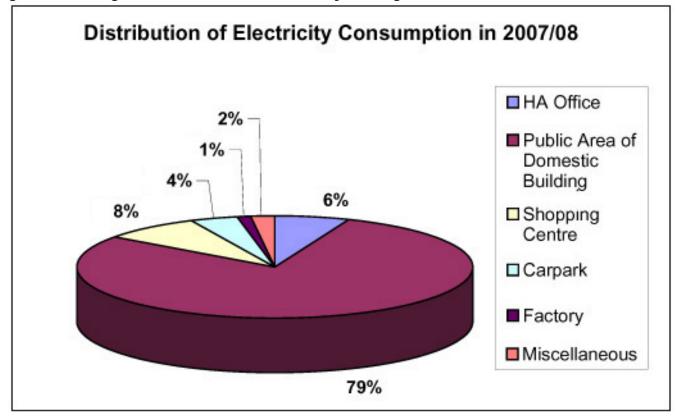


The quantity of waste paper collected in our offices in 2007/08 is 3.3% higher than last year.



- We have been awarded the "Gold Wastewi\$e Logo" for the seventh time in the Wastewi\$e Scheme organised by the Environmental Protection Department.
- Adoption of energy saving initiatives to reduce energy consumption

 We recorded a 3.69% reduction of total energy consumption compared to the consumption in 2006/07, equivalent to a reduction of over 16 600 tonnes of greenhouse gas emissions and monetary savings of HK\$23 million.



- We incorporated a solar photovoltaic (PV) power system into the design of the redevelopment project of Lam Tin Phase 7 and 8 and connected to the power grid of the estates to evaluate the operating and energy-saving performance of this renewable power system.
- All of our development projects are complied with the Building Energy Standards and Codes.



PV Pole Lamp

■ Installation of water reduction facilities to minimise water consumption

- We trial run a pilot project of installing water-saving dual flushing cisterns and water saving faucets in the development of Shek Lei Phase 10.
- We planned to adopt twin water tanks at all new PRH blocks to reduce water wastage and enable an uninterrupted water supply to the tenants during maintenance or cleaning.
- · We achieved a reduction of 1.6% water consumption

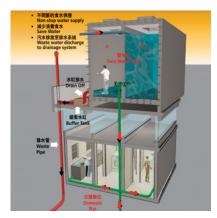
for installations under landlord in our PRH estates through implementing various water saving initiatives.

■ Replacement with environmentally friendly materials to conserve resources

- We completed the pilot test of using softwood timber doors in the construction of Eastern Harbour Crossing Phase 4.
- By using reusable metal hoardings, metal formwork and prefabricated building elements as well as the substitution of pulverized fuel ash, we avoided using about



Softwood Timber Doors Installed in PRH Estates



Schematic of Twin Water Tanks

16 640 tonnes of timber and saved 12 800 tonnes of cement in our construction projects.

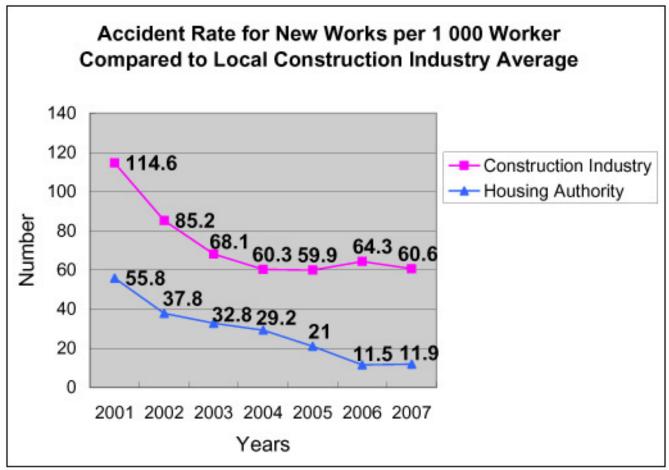
Social Performance

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We set 12 social targets for 2007/08 covering safety, marking scheme and staff awareness. Of these targets, 11 were fully met and 1 achieved substantial progress. Our social performance during the year is highlighted below.

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

- The Pay for Safety Incentive Scheme encourages contractors to adopt appropriate safety measures.
- Our accident rate for new works has reduced significantly from 55.8 per thousand workers in 2001 to 11.9 in 2007. We recorded zero fatality in 2007.



 We continued to adopt the Performance Assessment Scoring System and Safety Audit System to assess, monitor and measure the performance of our contractors. In 2007/08, we audited about 40 building, piling, demolition and civil engineering contracts.

Type of Contractors	Average PASS Score Improved (Compared with figures at the end of 2002)
Building Works	3.1%
Electrical	15.1%
Fire Services and Water Pumps	16.3%
Lifts and Escalators	3.6%

• We collaborated with the Occupational Safety & Health Council to convene the industry to participate in the Safety Charter "Partnering for a Safety Culture".

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

· We adopted the employment of Labour Relation Officers and on-demand bonds in

- 29 new contracts protecting workers to foster timely payment of wage.
- We introduced a Demerit Point System and an electronic Facial Attendance System to protect non-skilled workers from exploitation and violation of regulations.

Implementation of various initiatives to foster harmonious living

- We launched a series of initiatives in the allocation and management of PRH estates to practice the "Ageing in Place".
- We arranged volunteers to carry out visit and safety assessments ensuring a safer living environment for elderly tenants.
- Through our "Tin Shui Wai in Celebration" programme, we worked with different stakeholders to cultivate harmony in Tin Shui Wai.
- We continue to adopt universal design principles in all our new projects.



Volunteers for Senior Day 2008



Tin Shui Wai in Celebration - Foot Finger Drawing



Multi-sensory map at Shek Kip Mei Estate

■ Enhancement of housing quality to provide a comfort living environment

Our Comprehensive Redevelopment Programme continues to identify and clear

- old housing blocks for re-development. As at end of March 2008, we cleared a total of 559 old housing blocks.
- We continued to inspect and upgrade water supply system, lift, wiring and drainage pipes in our housing blocks.
- We upgraded the communal aerial systems for the launch of Digital Terrestrial Television broadcasting and provided free Wi Fi services in our housing estates.







Free public Wi Fi services

■ Implementation of hygiene and health initiatives to protect our tenants

- We extended the Marking Scheme for Estate Management Enforcement in Public Housing Estates to cover "Illegal gambling in public" and "Using leased premises for illegal purposes" and implemented the Enhanced Marking Scheme for our commercial and retail properties.
- We continued to provide intensified cleaning and disinfection of public places with high risk of flu infections.
- We checked all hygiene black spots and eliminated all potential mosquito breeding grounds.



Hand-sanitisers at lift lobbies at Shek Pai Wan Estate



Ovitrap

 We organised special petrol team during festivals to

combat against littering and illegal cooked food hawkers in our estates.

Provision of numerous training opportunities to enhance staff capability

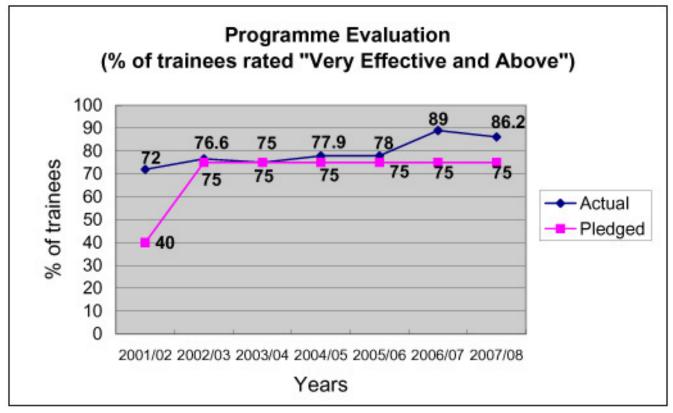
and development

- We offered various sponsorship schemes to encourage staff to build up their professional capability continuously.
- We provided flexible e-Learning platform to encourage self-learning among our staff.
- We launched the "Promotion of HA Core Values" initiative and expanded our training programme to enhance competences and exposure of staff.
- 86.2% of users rated our courses as very effective and above.



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Team Building Training



 The Housing Department has been awarded the "Caring Organisation Logo" by the Hong Kong Council of Social Service for the third year.

Economic Performance

We set 4 financial targets for 2007/08 covering rent adjustment, vacancy minimisation, preventing abuse of housing resources and maintenance. All targets were fully met. Our financial performance during the year is highlighted below.

■ Introduction of rent adjustment and assistance to lessen financial difficulties of tenants

- A rent adjustment mechanism was introduced to allow rent for PRH estates to be adjusted according to changes in tenants' household income.
- We relaxed the eligibility criteria of the Rent Assistance Scheme to make the scheme more readily available to tenants who are suffering genuine financial hardship.

■ Implementation of various measures to optimise housing resources

- We continued to investigate suspected cases of tenancy abuse and the applicants' eligibility for subsidised housing.
- We launched several initiatives to combat rent arrears including operation of a hotline, launching a phased "Auto-dialing Rent Reminder" service and adoption of autopay for rent payment.
- We rolled out a phased programme to sell all the surplus HOS flats to fully utilise our housing resources.
- We introduced new and diversify letting strategy to improve the letting rate of our vacant flats.

■ Improvement of operations to achieve cost-effectiveness

- We improved our building design and construction techniques to achieve structural cost-effectiveness.
- Since implementing the Total Maintenance Scheme, we inspected around 93 000 homes covering around 85% of the units in 50 estates and completed 150 000 repairs.



Redevelopment of the Flatted Factory in Kwai Chung efficiency.



Services under our Total Maintenance Scheme

 We continued to explore various new R&D initiatives to enhance our operation

Stakeholder Engagement

We set 5 stakeholder engagement targets for 2007/08 covering communication, awareness raising, and participation. All targets were fully met. Our stakeholder engagement performance during the year is highlighted below.

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

- We introduced e-initiatives to enhance the public accessibility of housing information.
- An online photo library showing the interior shots of HOS flats were available during the sale of our surplus HOS flats.
- The Housing Channel provides latest housing information and sustainable initiatives to our tenants.
- We published 25 issues of an online newsletter "Housing Dimensions" to provide a
 quick update on the HA's latest initiatives for staff and the public.
- The Housing Authority Hotline handled 1 538 000 telephone calls during the year, provided a direct communication platform between the HA and the public.

■ Implementation of community involvement programmes to raise general awareness and to facilitate formulating future housing policies

- A series of workshops were held for the public to discuss the design for the public open spaces at Yau Tong Estate and the Ngau Tau Kok Estate.
- A competition was held among professional institutions to gain public views on revitalising Mei Ho House, one of the oldest resettlement blocks in Hong Kong.
- We worked with local green groups to launch "Green Delight in Estates" and "Preserve Planet Earth" programmes to raise environmental awareness of the community.



Mei Ho House



Green Delight in Estates

• We promoted fire safety awareness among tenants through special incentive scheme, fire drills and various publicity programmes.

Provision of feedback mechanisms to seek views for improvement

- We conducted annual Public Housing Recurrent Surveys to seek tenants feedback and identify areas for improvements. Overall tenants' satisfaction has increased from 52.1% in 2003 to 71% in 2007.
- Our Public Housing Recurrent Survey indicates that around 77% of respondents felt our Enhanced Marking Scheme contributed to the cleanliness and hygiene of commercial facilities.
- Over 80% of the respondents are satisfied or very satisfied with the overall fire safety environment in our estates.
- Based on the result of the staff opinion survey, we introduced both long- and short-term measures to align staff aspirations to our goals and objectives.

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Way Forward

We always look for advancement in fulfilling our mission to provide sustainable housing to our tenants. We have identified and committed to various targets in 2008/09. Our targets are summarised and highlighted below.

■ To continue promotion of sustainability issues:

- Promote environmental awareness in the Housing Authority (HA) work place, in Public Rental Housing (PRH) estates, and in the community, for example by launching campaigns to promote waste reduction and recycling in PRH estates and joint programmes with green groups and the Estate Management Advisory Committees, displaying information on environmental issues at our headquarters' Green Corner, providing environmental messages on the e-Learning Portal, and organising tree planting days in selected estates.
- Conduct various initiatives for HA staff, for example, activities organized by the HA Staff Club, active communication with staff, and obtain feedback to enhance operational effectiveness.

■ To reduce water consumption:

 Reduce water consumption by conducting trial schemes in new projects, using selfstopping or movement-sensing water taps, conducting a replumbing programme to minimise pipe bursting and leakage, studying the feasibility of using rain water for irrigation and general cleaning.

■ To enhance greening and landscaping:

 Increase greening in estates through hydro-seeding and tree planting of newly formed slopes, providing green treatment to hard surfaced slopes, improving existing vegetated slopes, upgrading existing landscapes, and allocating open areas in selected estates for setting up theme gardens.

■ To lessen safety and environmental risks:

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.

■ To reduce noise nuisances:

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

■ To maintain our waste management practices:

- Increase domestic waste recovery rate of paper, aluminium cans, plastic bottles
 and used clothes by arranging publicity activities such as Waste Recycling Credit
 Scheme for all PRH estates, publicity campaigns, and implementing various
 initiatives to encourage paper recycling in HD offices.
- Implement waste separation at source programme in all estates by phases.
- Reduce generation of waste, including A3 and A4 paper consumption and construction and demolition (C&D) waste generation.
- Use environmentally-friendly paper in printing of all publicity materials (except sales and marketing publication) by implementing its use as a pre-requisite in all printing jobs.

■ To continue improvements on energy efficiency:

Reduce electricity consumption by adopting Energy Codes and obtaining energy
certificates for landlord services installed in new domestic blocks, shortening
operating hours of air conditioners and lighting in shopping malls, enhancing staff
awareness of energy savings, exploring the use of more energy efficient
equipment, and exploring the application of green design for building services
equipment.

■ To improve our safety performance:

 Improve safety performance by monitoring contractors closely, holding regular seminars on audit findings and best safety practices, participating in safety campaigns, providing safety training to staff, and developing a consolidated safety handbook and guidelines.

■ To uphold our social contribution:

- Continue to actively work with relevant stakeholders to promote better understanding of HA policies and initiatives through different publicity channels.
- Conduct various initiatives for HA staff, for example, activities organised by the HA Staff Club, active communication with staff, and obtain feedback to enhance operational effectiveness.
- Continue implementation of the Marking Scheme in all PRH estates and factories to enhance the living and working environment respectively.

■ To fine tune our economic performance:

- Minimise the vacancy of PRH estates.
- Conduct tenancy control and education campaigns with an aim to reduce abuse of housing resources.
- Assess older estates to identify where preventive maintenance, restoration and improvements should be made.

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MESSAGE FROM THE CHAIRMAN

I am pleased to present our third Sustainability Report, which highlights both new initiatives and existing programmes undertaken by the Housing Authority, and our performance levels in pursuit of our mission to provide sustainable housing to our tenants.

We accord high priority to sustainability in providing public rental housing for some 30% of Hong Kong's population. During the year, we made significant progress in most of our sustainability goals, thanks to our committed and enthusiastic staff and supportive stakeholders. Our performance and achievements during the year are summarized in this Report. We have been awarded the Gold Wastewi\$e Certificate for the seventh time in the annual Wastewi\$e Scheme organized by the Environmental Protection Department, while our executive arm the Housing Department was awarded a Caring Organisation by



the Hong Kong Council of Social Service in the year. Our efforts towards sustainable development were well received with recognition by professional organizations in the territory, but we would not be complacent about our achievements.

We realise the importance of partnering with all stakeholders in the process. We will continue our effort in finding long-term and effective solutions which will optimise future development and engaging our staff, tenants, business partners and the wider community to forge ahead in achieving sustainable housing.

Eva Cheng

Low Cung

Chairman

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ABOUT THE REPORT

Report Scope

Criteria

GRI Index

This Sustainability Report (SR) 2007/08, Stepping Forward in Sustainable Housing, is the third sustainability report published by the Housing Authority (HA). It provides a detailed account of our commitments and efforts toward sustainable development. It clearly depicts our management philosophies, operations and achievements in relation to our economic, environmental and social performance.

Report Scope

Similar to our previous annual sustainability reports, this report describes the sustainability performance of the Housing Authority (HA) as a whole for the period 1 April 2007 to 31 March 2008 for public rental housing estates owned by the HA, and for new developments under planning and construction. Statistics, presented as absolute figures, have been normalised into comparable terms where appropriate and practical. There are no specific limitations on the scope of the report.

During the reporting period, there was no significant change in the size, structure, scope of work and ownership of the HA. There were no joint ventures or subsidiaries operated by the HA. Information provided in our earlier sustainability reports is not restated herein.

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Criteria

This Report was prepared with reference to the Global Reporting Initiatives (GRI) G3 Guidelines and the GRI sector supplement for Public Agencies. We have selected relevant and appropriate performance indicators recommended in the GRI G3 Guidelines, and its sector supplement to further enhance the readability of the report.

To provide a clear and balanced picture of our performance in 2007/08, we have sought the views of our diverse stakeholders, including tenants and homeowners in our estates, business partners, our staff members and government colleagues, non-governmental organisations (NGOs), green groups, media and the public, and have taken their comments, views and expectations into consideration. Feedback on our last

sustainability report has also been provided in this report.

To enhance the report's creditability, an independent verifier has examined its completeness, accuracy and reliability. This third-party verification, which includes the verifier's opinion and views on the report, is presented in the verification statement.

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GRI Index

The report covers the following performance indicators recommended by the GRI G3 Guidelines and the GRI sector supplement for Public Agencies:

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HIGHLIGHTS

- Protecting the Environment
- Our Economic Performance
- Our Achievements and Awards
- Our Social Commitments
- Stakeholder Engagement

Stepping forward in sustainability, the Housing Authority (HA) has committed to continuously improving its performance in the areas of environmental, social and economic aspects. Throughout the past decade, we achieved several critical milestones and received a number of awards and honours along the way. Our major achievements during the reporting year are summarised below.

Protecting the Environment

- Generated around 30% less waste in our construction and development projects than that of similar private sector projects.
- A total of 90 Public Rental Housing (PRH) estates participated in the Programme on Source Separation of Domestic Waste and our targets for recovery of paper, aluminium cans, plastic bottles and used clothes were all met.
- Average domestic waste production from our residents is 0.7238 kg/person/day representing a 11.7% reduction of total domestic waste when compared with 2002/03.
- Adopted new refuse handling system for all new developments to reduce refuse volume for storage and to prevent odour nuisance.
- Planted over 2 400 trees, 575 600 shrubs and 64 300 annuals in PRH estates and improved landscape design in 22 PRH estates covering a total of 116 000 sq. m landscape area.
- Developed a new Enhanced Precast and Prefabrication System to further reduce environmental impact arising from construction activities.
- Paper usage in HD offices was 10.6% less than our target consumption rate set against the 2002/03 data.
- Reduced water consumption at the HA Headquarters by 2.1% when compared to the consumption in 2006/07.
- Reduced electricity usage by 3.69% compared to that in 2006/07, resulting in a reduction of about 16 600 tonnes of greenhouse gas emissions.
- Carried out a pilot project using softwood timber doors with the certification of the Forestry Stewardship Council.

Our Social Commitments

- Accident rate for new works construction sites reduced significantly from 55.8 per thousand workers in 2001 to 11.9 in 2007.
- Protected worker's wages and non-skilled workers through stringent measures such as Demerit Point System and Electronic Facial Attendance System.
- Fostered "Ageing in Place" by enhancing Priority Schemes for Harmonious Families, Addition Policy for Harmonious Families, the Amalgamation of Tenancies for Harmonious Families and Health Ageing in Public Housing Campaign.
- Launched the "Tin Shui Wai in Celebration" Programme to cultivate harmony and cooperation within the community.
- Completed the first PRH estate to adopt comprehensive Universal Design principles at Shek Kip Mei Estate Phase 1 to provide a barrier-free living environment for all age groups and movement abilities.
- Completed the upgrading of the communal aerial broadcast distribution system in 68 estates to enable our tenants enjoying Digital Terrestrial Television.
- Provided free internet access through Wi Fi services from about 1 000 communal access points in about 120 PRH estates.
- Added two misdeeds in the Marking Scheme for Estate Management Enforcement in Public Housing Estates and extended the Scheme to cover 42 mixed tenure estates.
- Conducted 10 805 raids and 185 joint operations with other government departments against illegal cooked food hawkers to improve hygienic conditions in our housing estates.

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Our Economic Performance

- Introduced a new income-based rent adjustment mechanism that allows both upward and downward adjustment of rent according to changes in tenants' household income.
- Introduced various measures to combat tenancy abuse and rent arrears as well as to reduce vacancy rates.
- Sold out around 38% surplus Home Ownership Scheme (HOS) flats to eligible applicants in 2007 to optimise our housing resources.
- Incorporated a range of modular flat designs into building developments to enhance consistency in buildings and enable the housing programme to be realised in a planned and sustainable manner.
- Enhanced structural optimisation process to reduce over 40% total construction costs of our projects when compared with similar projects in the private sector.

• Enhanced the housing quality by improving building design and construction techniques and through our Total Maintenance Scheme.

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Stakeholder Engagement

- Maintained effective communication channels with the general public through our web site, broadcasting channel, telephone hotlines and newsletters.
- Provided an online access of floor plans, location maps, price lists and photo library showing the interior shots of flats to facilitate communication with the public on the selling of surplus HOS flats.
- Engaged the community in the development of Yau Tong Estate, Ngau Tau Kok Estate and Mei Ho House at Shek Kip Mei.
- Enhanced estate cleanliness by launching an Incentive Award Scheme on Estate Cleanliness and organising the quarterly "Operation Tai Ping Tei" with our tenants.
- Collaborated with green groups to launch various environmental initiatives in our PRH estates such as "Green Delight in Estates" and "Preserve Planet Earth" programme.
- Collaborated with the Council for Sustainable Development in the Public Engagement Process on Better Air Quality by arranging promotion and publicity activities including setting up exhibition booth in public housing estates and collecting feedback from tenants etc.

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Our Achievements and Awards

- Our "Micro-climate Studies Planning for Sustainable Public Housing Development" won a merit award of the Hong Kong Institute of Planners Awards 2007.
- Our Kwai Chung Flatted Factory Redevelopment Project won commendation in the "Joint Structural Division Special Award 2008" co-organised by the Hong Kong Institution of Engineers and the UK's Institution of Structural Engineers.
- Our Kwai Chung Estate Phases 3, 4 and 5 Redevelopment Project won a merit award under the residential category of the Quality Building Award 2008 organised by various professional bodies of the building and construction industry.
- Our project sites won a total of 15 awards (including one gold, one silver, three bronze and ten meritorious awards) in four categories in the Construction Industry Safety Award Scheme 2007/08 organised by the Labour Department.
- The HA won the "Construction In-house Team of the Year" Award organised by the Asian Legal Business magazine.
- The HA was awarded the "Gold Wastewi\$e Logo" for the seventh time

- consecutively in the Wastewi\$e Scheme organised by the Environmental Protection Department.
- The Housing Department won the "The Barrier-free Caring Department Award" organised by the Hong Kong Lutheran Social Services.
- Two of our computer application systems won the Silver Awards for both the Transformation and Innovative categories, and the Bronze Award for the Most Favored category in the Hong Kong Information and Communications Technology (ICT) Awards 2007 (Best Public Service Application Award) organised by various professional bodies in ICT fields.
- The Housing Department was awarded as a Caring Organisation by the Hong Kong Council of Social Service.
- Oi Man Property Management Office was awarded the Hong Kong Energy Efficiency Registration Scheme for Buildings for its lighting system organised by the Electrical and Mechanical Services Department.
- The Housing Department won the Second Runner-up in both the Departmental Service Enhancement Award category and the Team Award category in the 2007 Civil Service Outstanding Service Award Scheme organised by the Civil Service Bureau.
- Our "Green Green Garden of Home" display, based on the theme "Vibrant Blossoms for Beijing Olympics", won the Gold Award for Design Excellence (Landscape Display) in the Hong Kong Flower Show 2008 organised by the Leisure and Cultural Services Department.
- The interior design of our 2005/06 Annual Report, based on the theme "Fulfilling Our Mission – Forging Ahead into the Future" won an Honours Award in the "2007 International ARC Awards" organised by the New York based MerComm, Inc.

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ABOUT THE HOUSING AUTHORITY

Our Vision

Our Role and Services

Human Resources

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 low-income families who cannot afford private rental accommodation in the territory.



The HA Headquarters

Our Vision

Our Vision:

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

Our 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.



As we are taking care of over 670 thousand public rental housing flats within the territory, we always put sustainability in our top priority. We believe that sustainability is an essential element to maintain harmony in our living environment. We therefore have made every effort to balance the economic, social and environmental needs and concerns of our stakeholders and have incorporated sustainable considerations such as environmentally friendly, user friendly, functional, safety and cost-effectiveness in our housing development and management programme.

We realise our vision and mission through our Strategy for Sustainable Construction, which reflects our view on sustainable development and provides a framework for identifying our sustainability priorities.

Our Strategy for Sustainable Construction:

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

Since the last decade, we have advocated "more conservation and less demolition" principle in managing the public housing. We have proactively inspected and maintained the public housing so as to reduce the needs for demolition and redevelopment of our older housing estates. This has not only reduced burdens in our environment, but also achieved in cost-effectiveness and benefit in community cohesion. In addition, we have improved the construction quality so that the future

needs and costs for maintenance will be minimised and our residents will enjoy a pleasant and more sustainable living environment. Our sustainability priorities are:

Environmental

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

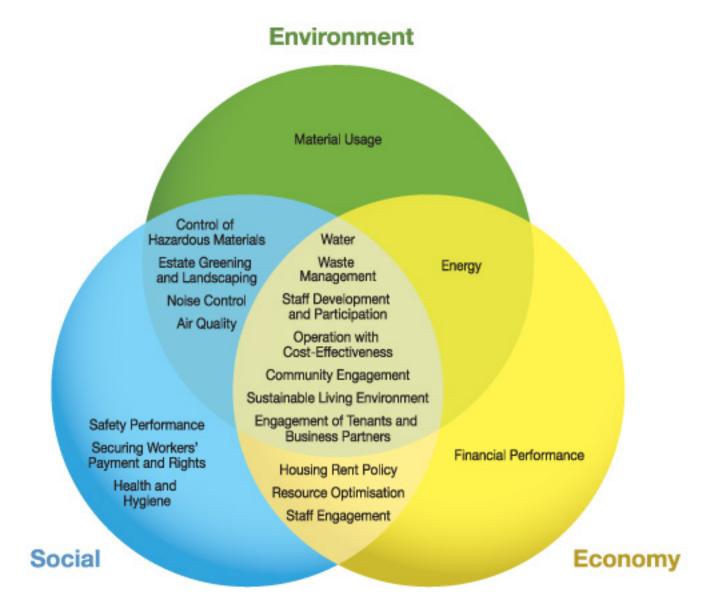
Social

The HA is committed to prioritising the public housing to those who need it most. We are also committed to providing a safe, hygienic and affordable living environment to our tenants making our public housing estates a better and comfortable place to live. 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-effectiveness 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 operations in relation to each of the sustainability components are depicted in the following figure.





Our Role and Services

The Housing Authority (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. In addition, we own and operate some flatted factories and ancillary commercial and other non-domestic facilities.



HA's Public Rental Housing: Ma Heng Estate

Housing Stock and Production

In 2007/08, we built about 13 700 new rental flats in six estates located in the Kwai

Tsing, Yuen Long, North, Eastern, Kwun Tong and Sham Shui Po districts. About 60% of these flats are in the urban and extended urban areas, with the remainder in the New Territories. The total number of Public Rental Housing (PRH) flats at the end of March 2008 increased to

673 800 in 190 estates. The forecasted production for PRH in through 2012/13 is about

77 000 flats, or an average of about 15 000 flats per year.

As of March 2008, there are about 36 projects under construction, with six piling contracts and seven building contracts awarded at the end of that month.

Commercial Properties

We own and manage some 168 130 square metres of commercial and retail facilities and

26 400 car parking spaces within our PRH estates.

Infrastructure

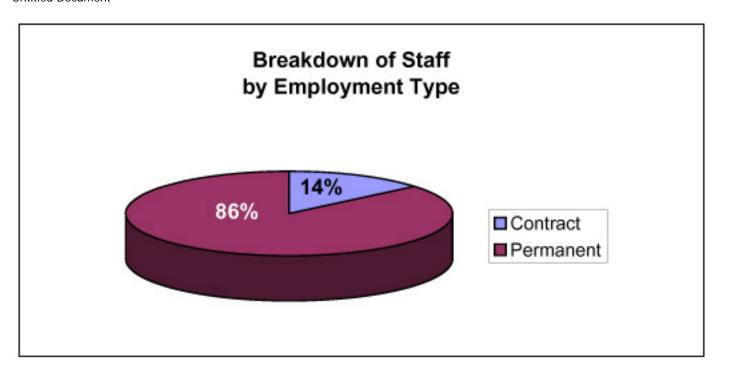
While planning and developing PRH estates, we also consider the necessity to develop associated infrastructure facilities such as footbridges, gardens and public transport terminals to provide a convenience and sustainable living environment to our tenants.

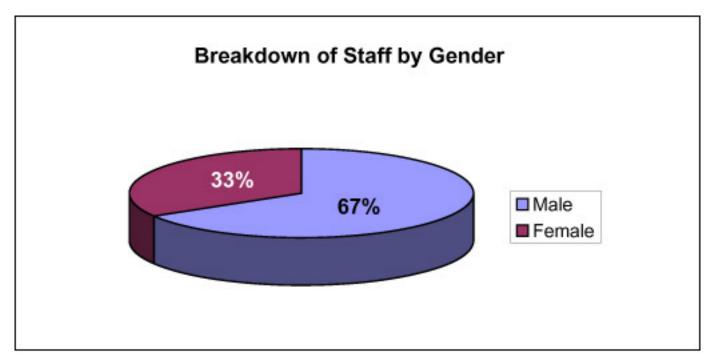
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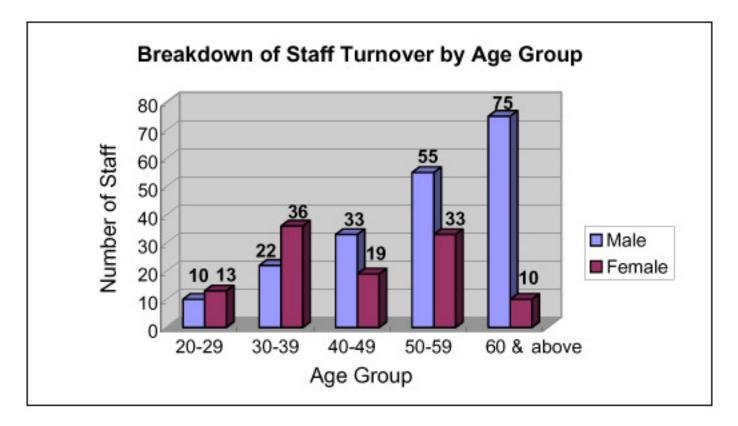
Human Resources

Staff Resources

At the end of March 2008, we had a total of 8 780 staff, including civil servants and HA staff, representing an increase of 0.7% over the previous year. In 2007/08, we had about 1 200 HA staff.







Article 99 of the Basic Law stipulates that new recruits appointed to the Civil Service on or after 1 July 1997 must be permanent local residents and all HA's senior staff are permanent Hong Kong residents.

Our success lies in our care for people. We therefore maintain good relationship and close communication between staff and provide suitable welfare to ensure their well-being. Effective communications are maintained through the publication of our bi-weekly "Housing Dimensions" as well as discussion and consultation with different staff associations/working groups and Departmental Consultative Committees. We had also delivered talks on staff counseling and organised different training to maintain corporate wellness. We have been providing counselling service to help staff cope with stress arising from work pressure and other personal problem since 1999 and during the year we received and handled 59 call cases. Effective April 2008, we will work with the Hong Kong Young Women's Christian Associations to provide staff counselling service.

Staff Pay Structure and Benefits

Remuneration of our staff follows either the civil service pay scales or HA pay bands depending on the type of employment. HA staff are catergorised into different job grades of specific pay bands. To maintain competitiveness, their remuneration packages are benchmarked at a level broadly comparable to the market. The pay bands and base salaries of HA staff are adjusted annually based on pay trend movement of the market. Subject to individual's performance which is assessed through a fair and comprehensive review of a 3-level staff appraisal system, an officer

on civil service pay scales may receive one increment annually in his respective rank scale while HA staff may be granted a one-off merit payment annually.

Staff may also enjoy various fringe benefits depending on their rank levels and employment types. These benefits include medical and dental treatment, housing benefits, annual leave and retirement benefits as appropriate.

Staff Integrity

Managing all public housing resources in the territory, it is important to maintain high standards of integrity and conduct within the HA. In addition to the guidelines provided by Civil Service Bureau, we have developed our departmental staff circulars which stipulate the guidelines and requirements for staff to declare private investments, avoid conflict of interest and deal with situation when being offered advantages and entertainment.

The HA has also developed internal circulars to deal with attempted bribe, allegations of corruption, Independent Commission Against Corruption's (ICAC) referrals and operational liaison with ICAC.

Anti-corruption's briefings are provided to all newly appointed staff as part of the induction programme. In 2007/08, over 1 600 staff attended various courses related to anti-corruption including 24 sessions of integrity reinforcement seminar. We are fully committed to co-operating with ICAC in combating corruption.

Human Rights

People are the most important assets in the HA. We endeavour to ensure equal opportunities and fair treatments in terms of remuneration, fringe benefits, promotion and compensation among our staff without discriminating individual's gender, ethnicity, age and movement ability. We fully comply with all the employment related legislation and prohibit child labour and forced labour.

Our staff also have freedom to join staff association/working groups in their respective grades or ranks. We have a total of 33 numbers of staff association/working groups and 5 Departmental Consultative Committees. These facilitate our communication with staff on issues of mutual concern.

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Support and Participation

As a public housing agency for the Government, we have maintained close working relationships with other government departments during our daily operations. These involve the provision of professional advises and the internal governance process to

realize our public housing programme. Despite our own efforts, we always support community voluntary initiatives to demonstrate our commitment to sustainable development. During the year, we had signed the Clean Air Charter and the Hong Kong Green Purchasing Charter to help combat local air pollution problem and foster the usage of environmentally friendly products.



Significant Aspects

The HA is geared towards sustainable housing in its daily operations. We make every effort to fulfill Hong Kong's public housing needs without compromising housing and environmental quality.

We understand that our operations in estate management and building construction will have significant environmental, health, safety and community impact. We therefore have taken a precautionary approach to manage potential risk through the implementation of a comprehensive management system following the "plan-do-check-act" principle, to properly control and mitigate significant impacts arising from our daily operations. In addition, our senior management will actively review public and stakeholder concerns through Senior Offical Meeting and different customer satisfaction surveys. Throughout the years we have practiced sustainable initiatives in the life cycle of our operations to make our works environmentally friendly, people-oriented and cost-effective.

Major potential significant aspects related to our operations include:

	Office	Construction	Management and Maintenance	Demolition		
Significant Environmental Aspects						
Site Identification and Land Use		\checkmark				
Air Emissions		\checkmark	✓	\checkmark		
Noise Emissions		\checkmark	✓	\checkmark		
Energy Efficiency	\checkmark	\checkmark	✓			
Water Conservation and Discharge	\checkmark	\checkmark	\checkmark	\checkmark		
Materials Selection and Usage	\checkmark	\checkmark	\checkmark			
Hazardous Materials		\checkmark	\checkmark	\checkmark		

Waste Management	\checkmark	\checkmark	✓	\checkmark		
Estate Greening		\checkmark	\checkmark			
Significant Health and Safety Aspects						
Indoor Air Quality	\checkmark		\checkmark			
Environmental Hygiene	\checkmark	\checkmark	\checkmark	\checkmark		
Building Accessibility	\checkmark		\checkmark	\checkmark		
Occupational Hazards and Risks	\checkmark	\checkmark	\checkmark	\checkmark		
Ergonomics	\checkmark	\checkmark	\checkmark	\checkmark		
Other Health and Safety Concerns	\checkmark	\checkmark	\checkmark	\checkmark		
Significant Social Aspects						
Employee Development	\checkmark					
Supply Chain Management		\checkmark	\checkmark	\checkmark		
Significant Economical Aspects						
Cost-effectiveness	\checkmark	\checkmark	\checkmark	\checkmark		
Housing Resources Management	\checkmark		\checkmark			

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GOVERNANCE STRUCTURE & MANAGEMENT

Our Governance Structure

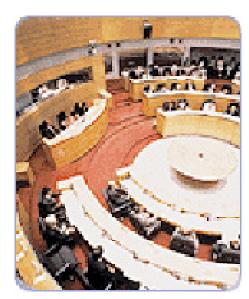
- Housing Department Environmental,
 Health and Safety Committee
- Our Management Approaches

Our Governance Structure

As at March 2008, the Housing Authority (HA) has four official members and 26 non-official members. Appointments are made by the Chief Executive.

The Secretary for Housing, Planning and Lands has been appointed Chairman of the Authority since 1 April 2003. With the reorganisation of the policy bureaux of the Government Secretariat from 1 July 2007, the Secretary for Transport and Housing was appointed Chairman of the HA. The Director of Housing continues to be the Vice-chairman.

The HA has taken 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 specified 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 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.

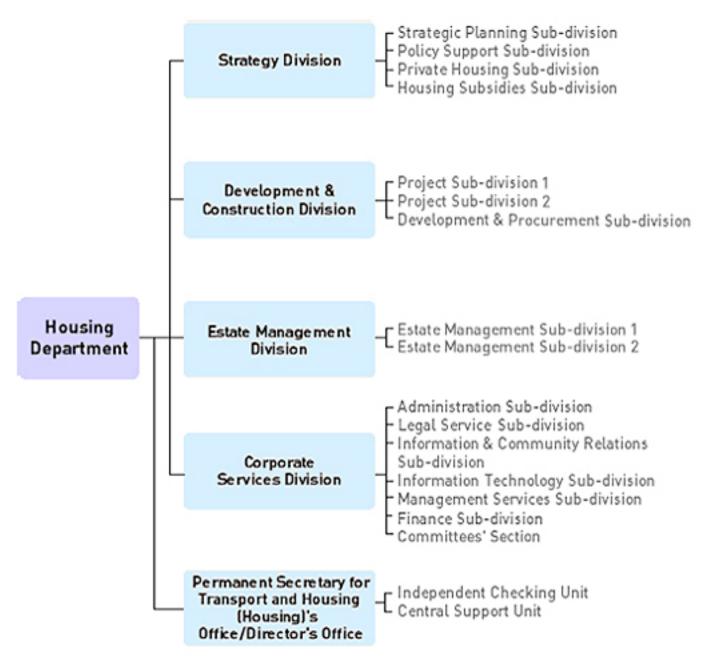


The HA's Committee Meeting



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 & construction and estate management.



Organisation Chart of Housing Department

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Housing Department Environmental, Health and Safety Committee

The Housing Department Environmental, 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 Environmental Sub-committee – assists the HDEHSC in overseeing the progress and performance of environmental initiatives and action plans in the Department.

- The Housing Department Occupational Safety and Health Subcommittee – assists the HDEHSC in overseeing the occupational safety and health of employees at their workplace.
- The Housing Department Site Safety Sub-committee assists the HDEHSC in overseeing site safety management measures for works contracts.



Our Management Approaches

Sustainable housing is always a top priority with the HA. It requires not only the commitment of our top management, but also full support of all staff and business partners. To this end we have established and implemented our Environmental and Safety Policies to clearly define and spell out our strategy for managing sustainability issues within the HA and providing a framework for our improvement targets. These policies have been communicated to and are fully supported by our staff, suppliers and contractors.

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 safety 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.

Our success in achieving sustainable housing also depends on the support of our business partners. We always look for reliable, competent and long-term business relationships with our suppliers and contractors through open, fair and ethical purchasing practices by offering equal opportunities without prejudice to their geographical location.

We maintain close communications with our suppliers and contractors to ensure that they fully understand and meet our sustainability requirements. We also keep track of supplier and contractor performance through a robust monitoring system that includes regular meetings and audits.

Furthermore we encourage our staff to support green procurement practices by employing environmentally friendly products and services where practicable and economically viable. All staff members are required to observe our Environmental Procurement Policy whenever products and services are 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.



ENVIRONMENTAL PERFORMANCE

- Air Quality
- Noise Control
- Energy
- Material Usage and Control of Hazardous Materials

- Estate Greening and Landscaping
- Waste Management
- Water

In the past year, the Housing Authority (HA) continued to enhance the building designs, and construction technologies of Public Rental Housing (PRH), and 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 joining us to save energy, reduce production of waste and promote recycling of waste, contributing to the sustainable development of Hong Kong.

During the year, we complied with all applicable environmental legislation. However, there were seven conviction cases in environmental offences regarding our contractors' operations. Two cases were related to air, waste and noise respectively and one case was related to water.

Awareness Arising Targets for period 2007/08

Progress

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

Fully Met

Air Quality

Air quality is currently one of the major concerns in the territory. The Housing Authority (HA) has implemented various improvement measures including installation of deodorisers in refuse collection points, introduction of "hard-paved construction" and speed control for construction vehicles at all building and piling sites, elimination of ozone depleting chemicals, etc., to reduce the impact of our operations on air quality.

Working for Better Air Quality

Besides our own efforts, we work closely with the community to improve air quality. We have rendered our full support to the "Better Air Quality Engagement Process" launched in June 2007 by the Council for Sustainable Development to collect valuable input from

the community in formulating the clean air policy. A total of 680 000 Invitation and Response forms were distributed to our tenants to collect their views on ways to improve air quality in the following key areas:

- actions to be taken on high air pollution days;
- energy conservation or demand side management; and
- road pricing mechanisms.

The message of the survey was widely conveyed to our tenants and staff through our Housing Channel, roving exhibitions at ten Public Rental Housing estates and internal briefings and open forums. As a result, a total of 2 201 forms were received and 4 016 participants visited our exhibition booths. Two thousand giveaways were distributed to our tenants for the return of completed forms.





Roving Exhibitions at Housing Estates

To foster participation in the survey, we co-organised a competition with the Council for Sustainable Development for 135 Estate Management Advisory Committee (EMAC), which funded estates to award those with the highest response rate.

Top

Estate Greening and Landscaping

Sustainable greening and landscaping provide residents a pleasant environment to live in. To build rich greening features and add novelty in our developments have always been our targets to enhance the quality of living environment for our residents. Substantial efforts were made in 2007/08 to provide green treatments for slopes in all of our new development projects. In addition, existing landscapes and slopes in the estates have also been improved by bringing in greening initiatives such as adding new vegetations, establishing new thematic gardens, hydro-seeding and re-landscaping.

Greening and Landscaping Targets for period 2007/08

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 Public Rental Housing (PRH) flats. Conduct tree surveys to ensure that this is met.	Fully Met
Upgrade the existing landscape in 18 selected Public Rental Housing estates by improving soft landscaping through the Landscape Improvement Programme.	Fully Met
Promote a green environment at 24 estates with Estate Management Advisory Committee support through the provision of green activities in these estates.	Fully Met
Improve the slope appearance in existing Public Rental Housing 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 Public Rental Housing estates by allocating open	Fully Met

Promotion of Green Living Environment

planting days in selected estates.

The programme "Action Seeding" has been launched since June 2007, aiming to unify the inputs from our contractors, tenants and general community in bringing our new public housing estates to a greener living environment. Participants from residents, schools and community organisations were required to nurse seedlings plants given by the Housing Authority (HA) and its building contractors until they are fit for transplanting into the planters of new estates. We anticipate that a total of 14 new estates due for completion in the coming two

areas in selected estates for setting up theme gardens.

Increase tenants' awareness and support of green by organising tree



Fully Met

"Action Seedling" Community Participation Programme

years will benefit from this programme. This programme encourages Building Contractors to contribute actively towards community engagement, and fosters a greater sense of belonging and social responsibility among our contractors, residents and the community.

Landscape Development and Upgrading Existing Landscape Facilities

During the development and construction for new estates, we have carried out substantial landscape improvement works to maintain a better living environment. In 2007/08, all newly formed slopes and soil slopes, covering a total area of 870 square meters, were hydro-seeded and constructed with planters at toe and crest. In addition, we have also achieved our landscaping improvement target by planting at least one tree

for every 15 Public Rental Housing (PRH) flats in all new housing estates.

In 2007/08, we have planted about 2 400 trees, 575 600 shrubs and 64 300 annuals in our estates and improved landscape design for 22 PRH estates, covering a total area of 116 000 square meters under the Landscape Improvement Programme. We have identified ten slopes in the existing PRH estates and provided green treatment to the hard surfaced slopes. For existing vegetated slopes and Chunam surface slopes, we also carried out hydro-seeding, stone pitching and toe planters for further improvement.

Thematic Gardens and Green Roofs

Greenery on rooftops can help insulate buildings, thus boosting energy efficiencies, a green neighbourhood as well as more relaxed and attractive surroundings. In Ching Ho Estate in Fanling which was completed in early 2008, we have provided planting on the rooftops of communal facilities (e.g. refuse collection point) and external walls, set up plants nurseries, and applied the use of Vertical Green Panels. We also completed the pilot scheme for green rooftops at Wo Lok Estate and are conducting the second pilot project in Fu Shan Estate.

To further enhance landscaping in PRH estates, we have chosen open areas in selected estates and set up thematic gardens, namely the Lagerstroemia Garden and Magnolia Garden at Wah Fu (I) Estate and Lung Hang Estate respectively.



Lagerstroemia Garden at Wah Fu (I) Estate



Magnolia Garden at Lung Hang Estate

Greening Activities

To encourage greening in our PRH estates, we held the Housing Authority Flower Show biannually. In December 2007, the Flower Show was held at the Central Piazza of Kwai Chung Estate where more than 20 000 plants of over 40 species of flowers were artistically arranged and displayed.





Display in the Housing Authority Flower Show

To support the government initiatives, we have participated in the Leisure and Cultural Services Department's Hong Kong Flower Show 2008 by setting up a landscape garden that was designed around the idea of "Green Olympics". The display "Green Green Garden of Home" brought us for the second consecutive year the Gold Award for Design Excellence (Landscape Display). The barrier-free display of landscape design in the show demonstrated our green design concepts and efforts by exemplifying the application of greenery on rooftop, vertical green panel system and indoor greening to the public.



Award Presentation in the Hong Kong Flower Show 2008



Display in the Hong Kong Flower Show 2008



Top

Noise Control

As an environmentally responsible organisation, we maintain our dedication in providing a top quality living environment for our residents at all times. This year, we continued our on-going noise reduction measures by replacing noisy high speed water pumps in our Public Rental Housing (PRH) estates with quieter equipment, and using prefabricated building elements in our construction sites.

Noise Targets for period 2007/08

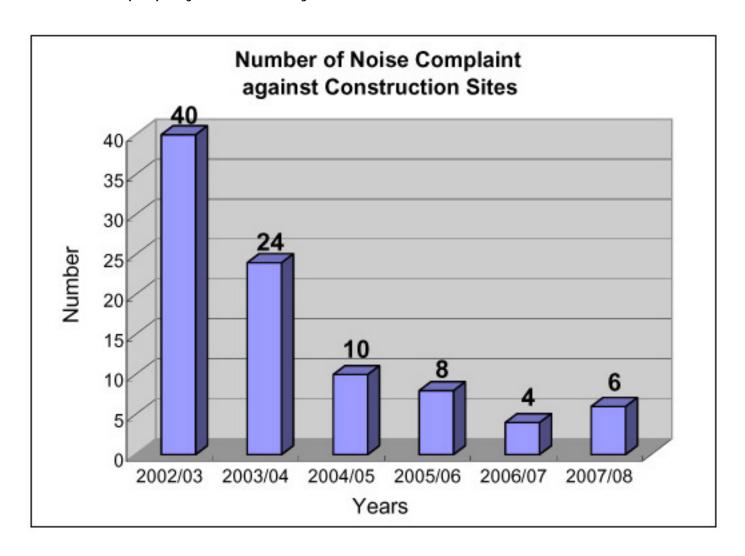
Progress

Reduce noise nuisance from water pumps in Public Rental Housing estates by replacing 3 000 rpm water pumps with 1 500 rpm water pumps.

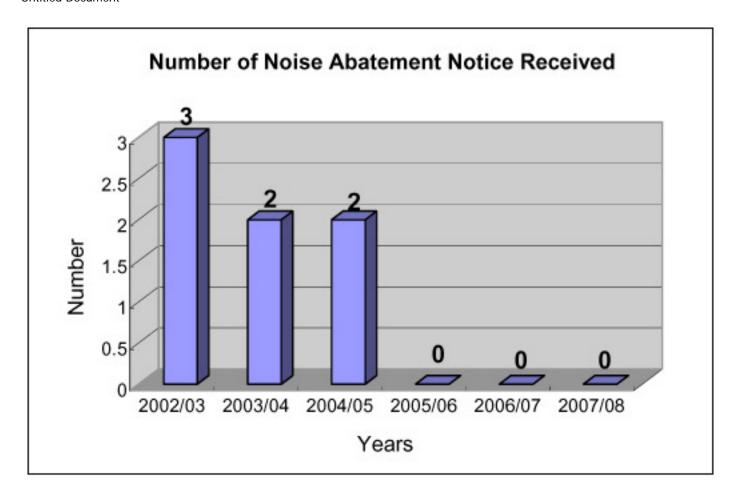
Fully Met

Noise Complaints and Abatement Notices

In 2007/08, we received nine noise complaints, six of which concerned construction sites. The rest were regarding noise generated during renovations. The noise complaints were recorded and properly addressed by the concerned contractors.



The number of noise abatement notices issued to public housing estates by the Environmental Protection Department has been very low in past years. This year, the HA achieved full legal compliance, the third consecutive year, as no noise abatement notices were received.



Water Pump Replacement

In 2007/08, a total of 18 high speed water pumps were replaced with low noise, low speed pumps in PRH estates to reduce noise pollution.

Noise Mitigation at Construction Sites

To reduce levels of construction noise, we continued to use hydraulic concrete crushers as opposed to percussive breakers in our demolition projects. For over 20 years we have been using prefabricated building structures such as precast facades, staircases and semi-precast slabs in our construction projects to cut noise generated by site activities. A new Enhanced Precast and Prefabrication System has been developed to further reduce the environmental impact of construction sites. In a pilot project using the enhanced prefabrication system, the scope of precast concrete works was extended from the usual rate of 20% to 60%. This decreased construction waste, noise and other nuisances for residents.

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Waste Management

Hong Kong's thriving population and limited disposal facilities have created a tremendous waste disposal challenge. The per capita level of municipal solid waste disposal has risen from 1.28 kilogrammes per person per day in 1991 to 1.36 kilogrammes in 2007. The

continued growth in waste load means Hong Kong will run out of landfill space far earlier than expected.

As one of the largest public agencies providing and managing housing facilities in Hong Kong, the Housing Authority (HA) always focuses on measures that support waste reduction and recycling.

Waste Management Targets for period 2007/08	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 such as Waste Recycling Credit Scheme for all Public Rental Housing estates.	Fully Met
Promote waste reduction through various publicity campaigns with the aim to reduce generation of domestic waste.	Fully Met
Implement waste separation programme in all estates by phases.	Fully Met
Reduce A3 and A4 paper consumption in Housing Department offices by performing various initiatives to reduce paper consumption.	Fully Met
Collect waste paper in Housing Department offices and implement various initiatives to encourage paper recycling.	Fully Met
Use environmentally-friendly paper in printing of all publicity materials (except sales and marketing publication) by implementing its use as a prerequisite 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 Estate Management Advisory Committees (EMACs), including distributing environmental publicity materials to tenants.	Fully Met

Management of Construction and Demolition (C&D) Waste

The HA has taken the lead in managing disposal of construction waste. To reduce construction and demolition (C&D) waste in HA building contracts, we introduced a construction waste index (CWI) in 2004, which aimed to improve contractor C&D waste management practices and to evaluate the value of waste disposal schemes.

According to an on-going survey, our projects generate significantly less waste, some 30% less than similar private sector projects.

New Refuse Handling System

For effective waste handling, the HA has adopted a new refuse handling system for all new developments completed after October 2005. These include:

- installation of a 'Central Compactor System' for larger estate; or
- installation of a small scale 'Distributed Compactor System' for smaller estate.

The new refuse handling system reduces refuse volume for storage and to prevent odour leakage.





Refuse Storage & Volume Control Device of Small Scale 'Distributed Compactor' a Central Compactor System

Programme on Source Separation of Domestic Waste

To encourage more tenants to separate their waste for recycling, we implemented the Programme on Source Separation of Domestic Waste (SSW) in our Public Rental Housing (PRH) estates by phases in 2005.

In 2005/06 and 2006/07, a total of 60 PRH estates had participated in the SSW. In 2007/08, we involved another 30 PRH estates, for a total of 90 PRH estates participating in the programme. Floor-based waste separation facilities have been provided in the PRH blocks of participating estates to increase the rate of domestic waste recovery and reduce waste for disposal. In addition, seminars and briefings were held for participating PRH estates to enhance their awareness and encourage their participation in the SSW

Programme.

In view of the environmental benefits, the HA will introduce the SSW Programme in 30 PRH estates each year and plans to include all PRH estates in this meaningful programme by 2012.

During a presentation ceremony in August 2007, Kwong Fuk Estate won the Bronze Award for the SSW competition organised by the Environmental Protection Department (EPD), while 39 PRH estates received Certificates of Merit.



Source Separation of Domestic Waste Award-presentation Ceremony

Domestic Waste Recovery

To enhance domestic waste recovery, in the past few years we have been setting waste reduction targets to recover four types of waste in PRH estates, namely paper, aluminium, plastic bottles and used clothes. In 2007/08, we worked with green groups to conduct a series of publicity activities at all PRH estates to convey green messages to our tenants and aim for an increase in waste recovery. Our achievements are highlighted below.

Waste Type	Quantity of Waste Recovered (tonnes)		Recovery	Rate (%)
	2006/07	2007/08	2006/07	2007/08
Paper	13 025.3	14 748.2	12.3%	14.30%
Aluminium Cans	267.7	309.6	28.3%	32.31%
Plastic bottles	503.3	764.6	6.2%	9.48%
Used clothes	561.5	632.7	6.8%	12.68%*

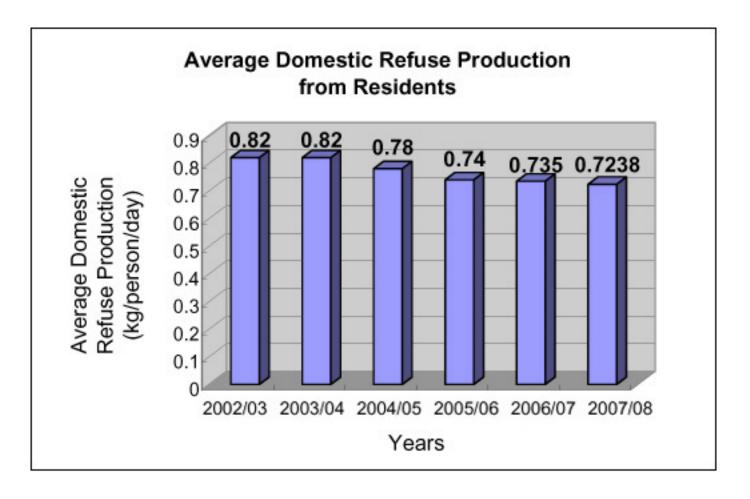
^{*} The increment in percentage is based on the comparison with the amount recovered (561.5 tonnes) in 2006/07.

In addition to these efforts, during the last Chinese New Year we have taken part in the EPD's programmes of recycling batteries and computers. We also participated in the tin box recycling campaign organised by the Friends of the Earth to collect more than 9 000 kilograms of biscuit and sweets tins, and 44 710 moon cake tins.

Domestic Refuse Production

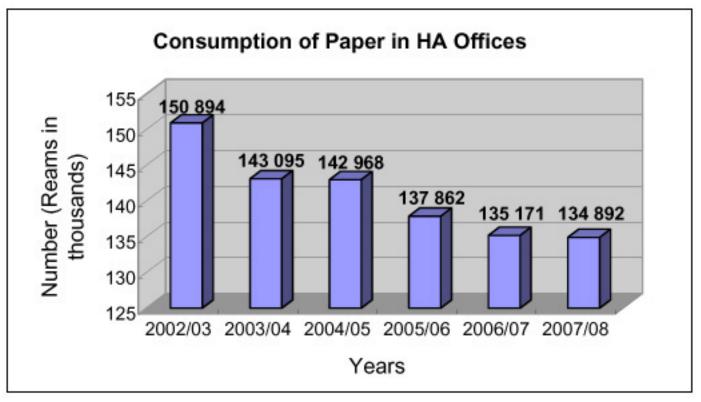
After implementing various effective waste recovery initiatives, the average domestic waste production of our residents in 2007/08 was 0.7238 kg/person/day, a 1.59%

reduction from the total domestic waste produced in 2006/07 or 11.7% reduction as compared with 2002/03.



Reduction of Paper Usage in Office

To reduce paper usage, we have implemented various initiatives to collect waste paper and encourage paper recycling in all Housing Department (HD) offices. This year we had good achievements in reduction of paper consumption, with 134 892 reams of paper which represented 10.6% less than our target consumption rate set against the 2002/03 data. In addition, the quantity of waste paper collected in 2007/08 was about 8.8% and 3.3% higher than the collection rate in 2005/06 and 2006/07 respectively.





To further promote green initiatives, our offices have been encouraged to use environment- friendly paper as a prerequisite in all printing jobs.

Wastewi\$e Scheme

The EPD established the Wastewi\$e Scheme to encourage and assist Hong Kong 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.

In the past six years, the HA has met the waste reduction targets and this year we have again received the Gold Wastewi\$e Logo under the scheme.



Promotional Activities of Waste Recycling and Reduction

The success of waste recycling and reduction requires the full commitment and active participation of individuals interacting in our daily operations. These parties include residents, commercial and non-commercial tenants and even our staff. In 2007/08, we organised various activities to promote waste recycling and reduction in our offices and PRH estates, including:

- campaigns such as Estate Green Fun Day and Green Carnival to promote waste reduction and recycling;
- the "Green Delights in Estates" programme in association with green groups at 30 PRH estates;
- used book reselling activities to enhance staff awareness on saving paper; and,
- a tree planting event and display of information on "Global Warming" on World Environment Day to convey the message and provide tips on waste management.



Energy

We believe that energy conservation is a crucial element in sustainable development and helps combat global warming. We also believe that better management of energy use, effective energy reduction measures, and a commitment to save energy from individuals in the community will lead us to ultimate success.

Energy Targets for period 2007/08	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.

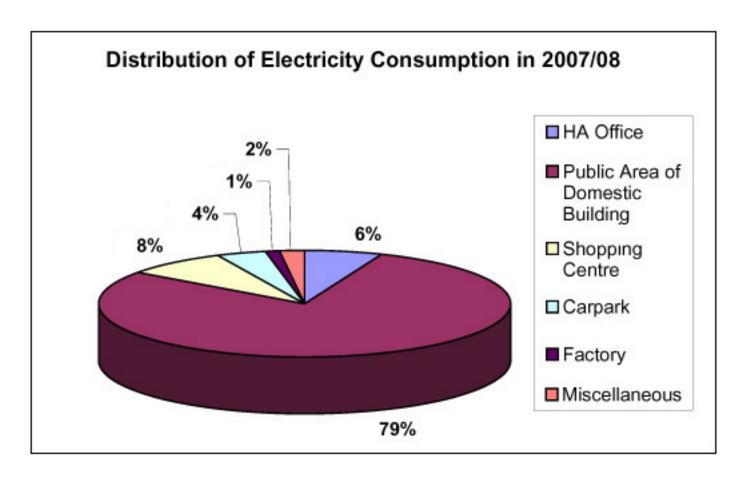
Fully Met

Explore and study application of green design for building services equipment.

Fully Met

Energy Consumption

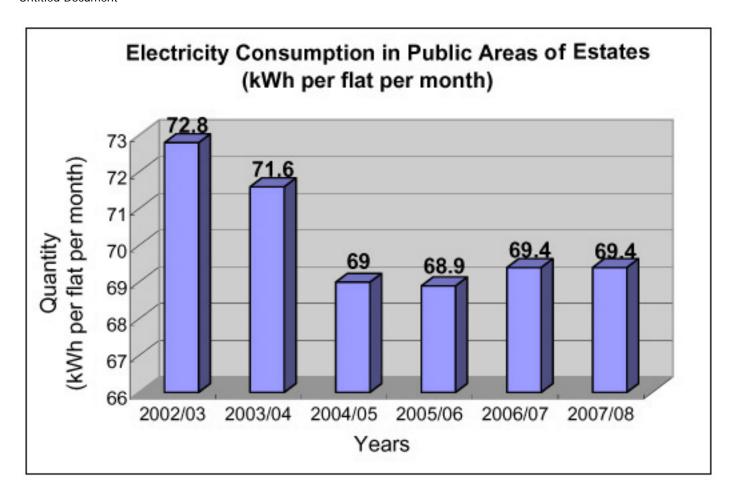
In 2007/08, electricity consumption for our headquarters, offices and other premises was 620 226 167 kWh, a reduction of 3.69% from the electricity consumed in 2006/07. This accounts for a reduction of over 16 600 tonnes of greenhouse gas emissions¹ and monetary savings of HK\$ 23 million.



Public areas of domestic buildings in our estates represent the highest portion (about 79%) of the HA's annual electricity consumption. In 2007/08, the total electricity consumption of the public areas for domestic buildings was 494 117 110 kWh, about 2.9 % less than the electricity consumption of domestic flats in 2006/07. This contributes to a reduction of over

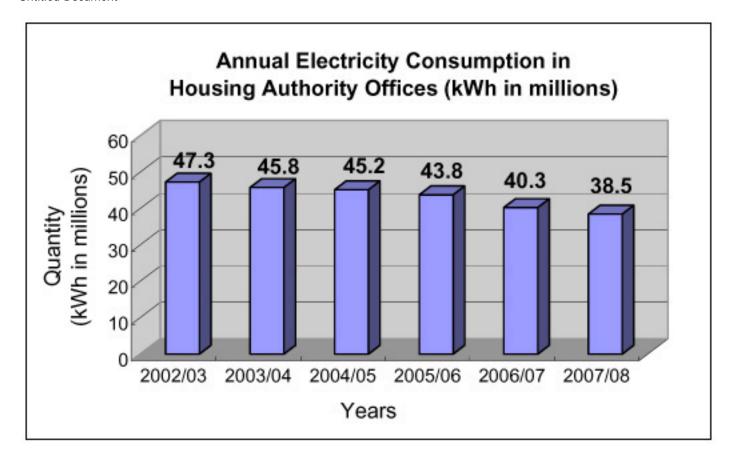
10 400 tonnes of greenhouse gas emissions and savings of HK\$ 14 million.

The electricity consumption of public areas in 2007/08 was 69.4 kWh per flat per month, similar to 2006/07 levels.



Since 2003 we have achieved our annual electricity savings target. In 2007/08, we recorded about 4.6% reduction from 2006/07 in the total electricity use of our offices. This decrease of

1 843 364 kWh is equivalent to a reduction of over 1 290 tonnes of greenhouse gas emissions and monetary savings of HK\$ 1.84 million.



Fuel consumption of the HA's vehicle fleet during the year was 93 971 litres, a reduction of 6.66% compared with the fuel consumed in 2006/07. This accounts for a reduction of about 16 metric tonnes of carbon dioxide emissions² to the atmosphere.

Energy Conservation

The Housing Authority (HA) always considers to introduce energy saving initiatives for our new development and construction projects. To explore the application of green design for building services equipment, a solar photovoltaic (PV) power system had been incorporated into the design of the redevelopment project of Lam Tin Phase 7 and 8 in 2006. The proposed PV power system is under construction and will be completed in early 2009. A monitoring programme has also been established to evaluate the operating and energy-saving performance for this renewable power system.



PV Pole Lamp

A pilot study had been carried out at Yau Lai Estate to determine energy saving potentials that can be employed during lift operation. The pilot test involved adjusting and optimising the counterweight settings for lift operation, and monitoring of energy saving potentials.

We have been adopting Building Environmental Assessment Method (BEAM) as a management tool to evaluate energy efficiency of our designs in various development projects. In addition, to ensure the awareness of energy conscious design in buildings, all of our development projects complied with the Building Energy Standards and Codes.



To recognise our efforts in promoting energy efficiency for residential buildings, 24 of our estates took part in the competition of the second "Hong Kong Energy Efficiency Awards" organised by the Electrical and Mechanical Services Department (EMSD). This year, Energy Efficiency Awi Ngau Tau Kok and Sau Mau Ping Estates won the Bronze Award in this competition while Shek Yam and Ting Heng Estate received the Merit Awards.



"Hong Kong Energy Efficiency Awards" - Award-presenting ceremony

In early 2007, we launched a trial scheme on lighting device energy conservation in Homantin Estate. Preliminary results indicate a monthly saving of about 11% in power consumption for the public areas of the housing blocks. The HA has also extended the trial scheme on lighting device energy conservation to 10 other estates to allow the energy-saving measures to be further tested and assessed.

Footnote:

1. A default value for the emission factor of 0.7kg/kWh is employed to account for Green House Gas (GHG) emission associated generation of electricity to supply customers in Hong Kong (Source: Guidelines to Account and Report Greenhouse Gas Emissions and Removals for Buildings of Commercial, Residential or Institutional Purpose in Hong Kong)

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)

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Water

Provision of a reliable and safe water supply system to Public Rental Housing (PRH) estates has always been a prime concern of the Housing Authority (HA). To achieve this ever challenging task, the HA strives to ensure a continuous high quality water supply service.

In 2007/08, the HA has practiced various measures to use water in a more efficient and environmentally sensible manner.

Each year the HA sets water conservation targets and uses different initiatives to achieve continuous improvement in water consumption and water quality.

Water Conservation Targets for period 2007/08	Progress
Reduce flushing water consumption by conducting trial schemes in new projects, i.e. pilot project Shek Lei Phase 10 and conducting performance reviews.	Fully Met
Reduce potable water consumption for installations under landlord control in Public Rental Housing 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 cleaning.	Fully Met
Continue to reduce water consumption at HA Headquarters by performing water saving initiatives as appropriate.	Fell Short*

^{*} The water consumption in 2007/008 (i.e. $15\ 285m^3$) reduced by 2.1% when compared with the water consumed in 2006/07 (i.e. $15\ 618\ m^3$) but exceeded the target for 2007/08 (i.e. $15\ 000\ m^3$) by 1.9%.

Reduce Flushing Water Consumption

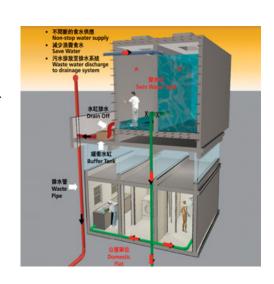
Since 2003, dual-flush cisterns have been installed in the washrooms at HA Headquarters to test their water saving potential, durability and maintenance requirements.

In view of the trial's positive results, we extended this green initiative through a pilot project that installed dual-flush cisterns in the development of Shek Lei Phase 10.

Twin Water Tanks Installation

We plan to adopt twin water tanks at all new PRH blocks to be completed from mid-2009 onwards. The primary purpose of twin tanks is to provide an uninterrupted water supply to tenants. Twin water tanks allow one tank to remain in service while the other is being cleaned or maintained. This innovative design not only reduces water wastage during maintenance or cleaning, but also improves the durability of the building's roof structure.

To reduce potable water consumption in PRH estates the HA has introduced self-stopping taps in various PRH



estate facilities. To further enhance potable water usage, in 2006/07 we implemented a 3-year re-pumping programme which aimed to reduce pipe bursts and leakage. In 2007/08 we achieved a reduction of 1.6 % in water consumption, which fully met our performance target.

Schematic of Twin Water Tanks

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Material Usage and Control of Hazardous Materials

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

Material Usage and Control of Hazardous Materials for period 2007/08	Progress
Use softwood timber doors in Public Rental Housing estates.	Fully Met
Abate the remaining asbestos containing materials in existing HA managed properties.	Fell Short*

^{*} Refer to the Asbestos Abatement Programme

There was no significant spillage of chemicals reported during the year.

Use Softwood Timber Door in PRH Estates

In 2007/08, 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 of the Forestry Stewardship Council (FSC). The results of using softwood timber doors, together with the quality assurance and traceability issues of using FSC products, are currently under review by the EHC4 project team.

Contractors have been encouraged and assisted by the Housing Authority (HA) to use reusable metal hoardings, metal formwork and prefabricated building elements. We have estimated that our construction projects avoided using 16 640 tonnes of timber.



Softwood Timber Doors Installed in PRH Estates

Pulverised fuel ash (PFA) has been used as a partial cement substitute on our construction sites. It is estimated that during 2007/08 the substitution of PFA saved 12 800 tonnes of cement.

Asbestos Abatement Programme

In 2007/08, we implemented an asbestos abatement programme through the estate redevelopment programme and asbestos removal works to remove the remaining asbestos containing materials in existing HA managed properties. This year the asbestos removal percentage was 2.2%, which fell short of our target of 3.4 %. The main reason for not meeting our target was due to a delay in tendering demolition for the redevelopment of Wong Chuk Hang Estate Phases 2 & 3.

Д Тор

SOCIAL PERFORMANCE

Safety Performance

- Securing Workers' Payment and Rights
- Sustainable Living Environment
- Health and Hygiene
- Staff Development and Participation

As a socially responsible public agent, we endeavour to ensure the well-being of our employees, business partners and tenants. Throughout the years, the Housing Authority (HA) has focused on diversified areas such as fostering a safety culture among our stakeholders, maintenance and better management of our quality housing stock, protecting workers' wages, providing a sustainable living environment and encouraging staff development.

We are delighted to report that the Housing Department has been awarded the "Caring Organisation Logo" by the Hong Kong Council of Social Service for the third year. This demonstrates our good corporate citizenship and caring spirit to the local society. We will continue our effort to contribute to the well-being of the community.

During the year, we fully complied with all applicable social legislation. However, there were 5 conviction cases in mosquito breeding regarding our contractors' operations.

Safety Performance

In 2007, we recorded zero fatalities, zero occupational diseases and 40 injury-on-duty in the HA. Our injury rate per thousand employees was 4.6, far below the injury rate of 16.9 per thousand employees in all economic activities in Hong Kong.

Safety Targets for period 2007/08	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.

Continue to provide safety training to staff.

Issuance of site safety handbook and guidelines.

Fully Met

Fully Met

Fully Met

Fully Met

Construction Site Safety

As one of Hong Kong's largest housing developers, we make every effort to maintain high safety standards in our workplace. We care for our staff and business partners who are working at the forefront to deliver our products and services. Our Site Safety Strategy, established since 2000, consists of 40 initiatives in the following five areas:

- 1. Accident analyses
- 2. Tenders and Contracts
- 3. Incentives and Sanctions
- 4. Site Related Safety Culture and Safety Systems
- 5. Organisation's Safety Culture and Safety Systems

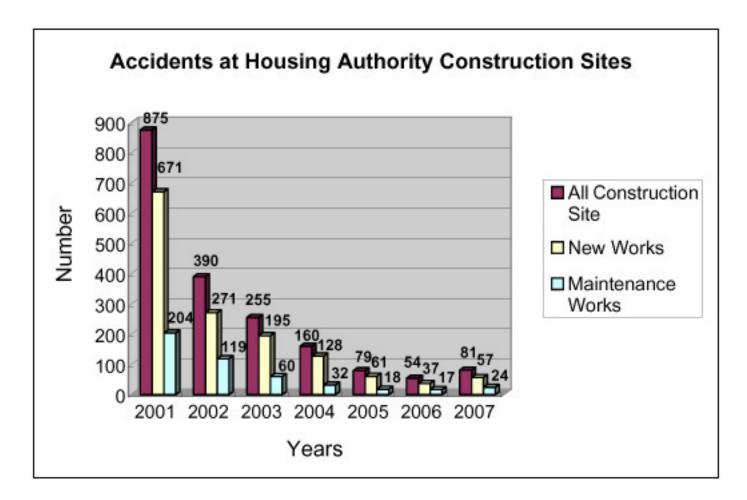
Sustainable housing could not be achieved if we allowed shoddy work practices and poor safety in our construction sites. In addition to our contractual requirements and the statutory requirements, we encourage contractors to adopt safety measures through our Pay for Safety Incentive Scheme, under which contractors are reimbursed based on their health, safety and environmental practices. Depending on the size of a New Works contract, the average payment for all the safety items is approximately 1% of the contract sum. In 2007/08, total payment made under the scheme in various New Works contacts and Maintenance Building Works and Building Services contracts was HK \$28.5 million and HK\$12.7 million respectively. We also consider the contractors' record of serious or fatal accidents as part of the tender evaluation when new contracts are awarded; contractors with poor safety records have a reduced chance of tendering our projects. It is an effective means of improving contractor performance.

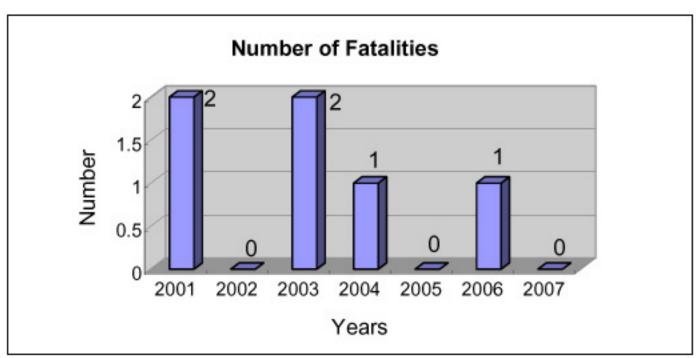
Safety Performance Analysis

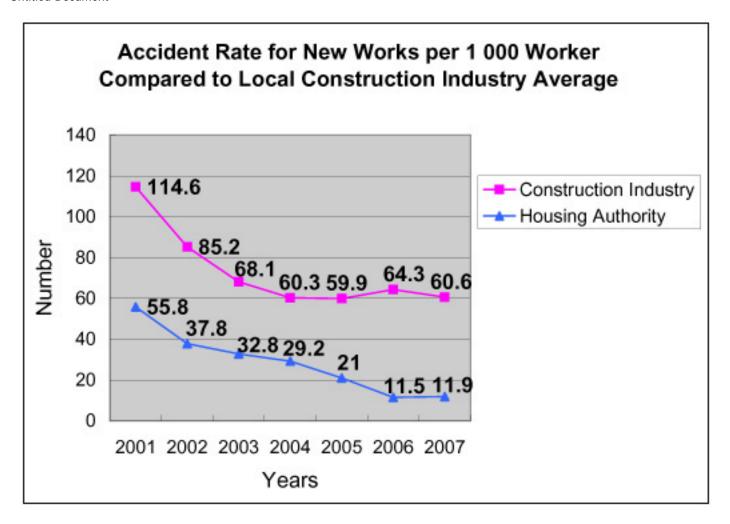
According to the government statistics, in 2007 a total of 37 fatalities were recorded in the construction industry among 3 135 reported occupational injury cases. We believe most accidents can be prevented by taking simple precautionary measures or adopting proper working procedures.

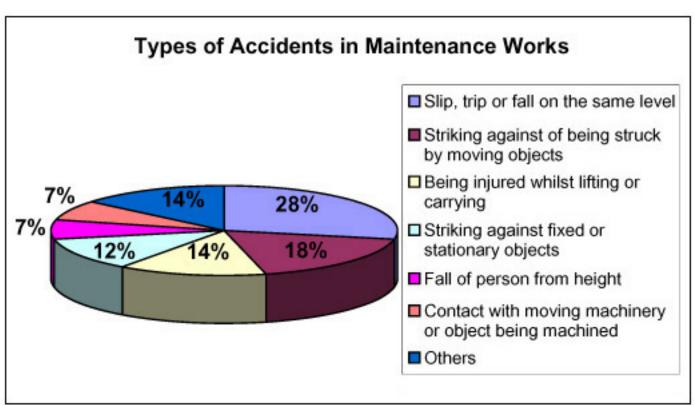
Our efforts in promoting construction safety among our work contractors have proved to be effective: we recorded zero fatalities in 2007 and a steady decrease in the accident rate, reduced significantly from 55.8 per thousand workers in 2001 to 11.9 in 2007, far below our annual target of less than 25 accidents per thousand workers. This

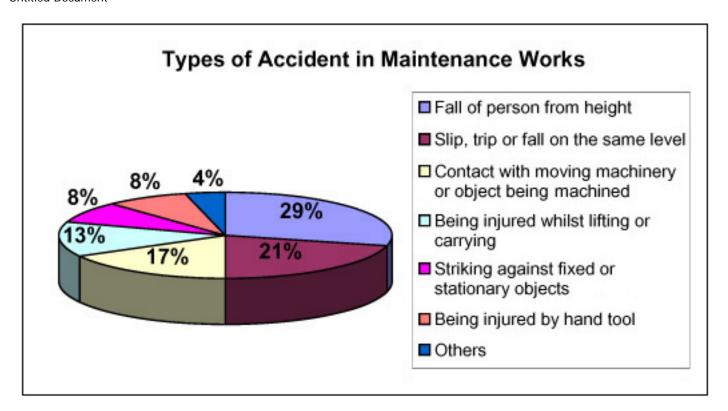
figure also compares extremely favourably with the overall industry average which has fallen from 115 accidents per thousand workers in 2001 to 60.6 in 2007.











Tenders and Contracts

The HA always emphasises the importance of work safety to our contractors. Our safety policy has been included in the general guide and disseminated to all listed contractors. To make it a top-down commitment via our contractors, we laid down various upstream measures in New Works and Maintenance Works tenders to tighten the risk management and groom the competency of the forefront workforce. These include the incorporation of OSHAS 18001 occupation health and safety management system as a listing requirement for Building Contractors (New Works), Piling Contractors and Building (Maintenance Works), Contractors with Quality Maintenance Contractors status, as well as flagging contractors involved in serious incidents such as fatal accidents or misconduct for critical review.

Performance Assessment Scoring System

Throughout the years, we have utilised the Performance Assessment Scoring System (PASS) to monitor and measure the performance of our building and piling contractors. It has proven to be effective. At the end of 2007, the improvement of the average PASS score for different contractors in comparison to figures at the end of 2002 are:

Type of Contractors	Average PASS Score Improved (Compared with figures at the end of 2002)
Building Works	3.1%
Electrical	15.1%
Fire Services and Water Pumps	16.3%

Lifts and Escalators

3.6%

Owing to the effectiveness and benefits of this system, we will extend the PASS to demolition and soft landscape contractors on a trial basis later this year.

Safety Audit System

To raise safety standards in the workplace, we regularly keep track of and review contractors' performance. Apart from the PASS, we continued to implement the Housing Authority Safety Audit System (HASAS), where independent Accredited Safety Auditors audited contractors' safety performance on a quarterly basis. An audit provides comprehensive safety profiles of contractors, which facilitates subsequent reviews of their safety performance. Contractors will be warned or even suspended from tender if the Safety Audit score falls below 70%. In 2007/08, safety audits were undertaken of about 40 Building, Piling, Demolition and Civil Engineering contracts and the total expenditure on site Safety Audits was about HK\$3.9 million.

We have further enhanced the HASAS in 2007 by:

- increasing weight on the effectiveness of the implementation of safety management system on site;
- expanding the scope of the HASAS to Building Services Nominated Sub-contracts (BS NSC);
- linking the HASAS performance to the Pay for Safety Scheme with score banding according to the level of satisfactory performance achieved; and
- placing more emphasis on high-risk or high-incident rate activities.

Fostering Safety Culture

The HA has continued to forge partnerships with stakeholders and participate in territory-wide safety campaigns to propagate awareness and site safety. We are proud to report that our contractors were commended for outstanding performance on site safety in several territory-wide safety campaigns.

We have been working hand-in-hand with the Construction Site Safety Committee of the Construction Industry Council (CIC) in pursuing safety initiatives. We have issued a number of the CIC's safety guidelines (eg. tower cranes, site vehicles mobile plants and hot weather) to all our works contractors and property service providers during the year.

To raise safety awareness and promote a culture of safety among our stakeholders, we collaborated with the Occupational Safety & Health Council to convene the Safety Charter "Partnering for a Safety Culture" for the industry. The Charter was launched in July 2007 during the "Works Contracts and Property Services Contracts Safety Charter Signing and Forum", which attracted over 800 attendees from contractors to learn

industry best practices.

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Securing Workers' Payment and Rights

Contractor's Wages Protection

To protect frontline workers of our building and demolition contractors from suffering non-payment of wages, we launched a number of measures to secure and monitor their wage payments. These measures, including the employment of Labour Relation Officers and on-demand bonds, were further extended to foundation contractors in June 2007 to foster timely payment of wages. At the end of March 2008, these measures had been incorporated into a total of 29 new contracts protecting a total of 15 179 workers. To simplify the wage payment process, more workers are now receiving their wages through direct bank autopay services.

Protection of Non-skilled Workers

In addition to our commitment to legal compliance, we also make every effort to prevent contractors from breaching Employment Ordinance and Contractual requirements, especially regarding non-skilled workers. To this end we have instituted a Demerit Point System where marks are deducted for each default notice received if contractors violate relevant requirements. The final scores will ultimately affect the future tender selections of contractors.

Along with the Demerit Point System, we monitor contractor's compliance through our Central Monitoring Team (CMT). In 2007/08, the CMT checked 1 421 employment records of 42 cleaning and security service contracts in 27 estates and interviewed 1 202 non-skilled workers. In parallel with these measures we have also educated non-skilled workers about their employment-related rights through information leaflets, a hotline, face-to-face interviews, seminars and briefings.

To further enhance contract management, we introduced an Electronic Facial Attendance System in March 2008 to replace the signing of manual attendance registers by contractors. The System, recognising unique facial features of the workers, is currently used to capture attendance records of cleaning workers and security guards in various estate management offices, protecting them from exploitation and violation of regulatory and contractual requirements.

Д Тор

Sustainable Living Environment

It is always our commitment to provide a comfortable and caring environment that will enable residents to live in harmony with their families and their surroundings. Apart from continually improving the management and quality of our Public Rental Housing (PRH) estates, we have introduced Universal Design in various estates and fostered the "Ageing in Place" culture within the community.

Social Targets for period 2007/08 Continue implementation of the Marking Scheme in all Public Rental Housing estates and factories to enhance the living and factory environment respectively. Progress Fully Met

Fostering Family Support

About 411 300 elderly tenants aged 60 or above live in our PRH estates. To promote the family as a core social value in line with the "Ageing in Place" concept, we launched a series of initiatives in the allocation and management of PRH estates in October 2007 to encourage younger family members to either live with their elderly relatives or move closer to each other for better support. By the end of March 2008, around 1 600 families on the PRH Waiting List had been advanced to the allocation stages under the Priority Schemes for Harmonious Families. Under the Addition Policy for Harmonious Families, 800 elderly tenants have added their adult children and their families to the tenancies, benefiting 1 152 individuals. In addition, a total of 136 families, involving 210 people, amalgamated their tenancies under the Amalgamation of Tenancies for Harmonious Families scheme. The scheme enables elderly tenants to live with their children and strengthens ties and support within families. As for Harmonious Families Transfer, a total of 170 PRH households were rehoused near their parents/offspring.

Caring for the Elderly

To further support our "Ageing in Place" principle, we collaborated with HOPE Worldwide to organise the "Volunteers for Senior Day" again in January 2008. Under the "Healthy Ageing in Public Housing Campaign", educational road shows were held in our estates. We also arranged volunteers to visit elderly tenants and carry out safety assessments, ensuring a safer living environment and helping to prevent falls among the elderly. Such arrangements helped to stop low-mobility elderly tenants from becoming "hidden seniors".





Volunteers for Senior Day 2008

Harmonious Living

To celebrate the Hong Kong SAR's 10th Anniversary, we organised three projects under the theme "Harmonious Family, Caring Community" during the year.

In view of the recent social problems in Tin Shui Wai, we launched the "Tin Shui Wai in Celebration" programme to cultivate harmony and cooperation within the community. Residents, schools, district councils and non-government organisations were invited to participate in a wide range of activities including a photo contest and painting a 250 square foot finger drawing. We also worked with social workers to brief tenants on the environment and surroundings as well as the available support services in Tin Shui Wai. Tenants could also obtain information and seek advice through a helpline.



Tin Shui Wai in Celebration – Foot Finger Drawing

In addition to these activities, we produced and broadcasted eight videos in our Housing Channel to promote harmonious relationships within the community. Social workers and professionals from non-governmental organisations were interviewed to provide tips and advice on how to avoid conflicts between family members in the home.

Universal Accessibility

Since 1998, we have introduced barrier-free access principles in our estate design to cater for tenants with different abilities in movement. The principles were also applied in our existing estates; we have improved access to about 200 estates since 2001 and have carried out home modification for individual disabled persons in accordance with professional advice.

In 2002, we adopted Universal Design principles in all domestic flats and common areas

to meet the diverse needs of tenants, such as barrier-free access, 'Ageing in Place', as well as facilities for the physically and visually impaired. Practically, these design principles include ramps and barrier-free access, tactile paths, audio and visual information, safety features in their homes, and specially-designed play areas for children. Improvement work for the visually impaired started in early 2006 at existing estates.

Universal Design principles were fully adopted at Shek Kip Mei Estate Phase 1 in 2007. This was one of our major milestones for "Ageing in Place", and allowed people with different needs to blend into a harmonious community. We installed the first tactile map for the visually impaired and also designed a play area for all age groups, including the mobility impaired. A fun fair was held to celebrate the adoption of the Universal Design principles and to promote understanding of the needs of the disabled and cultivate the benefits of "living in harmony" of the community; it attracted more than 700 people.





Tactile guide path and multi-sensory map at Shek Kip Mei Estate

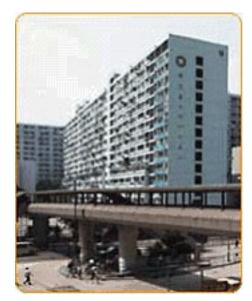
Convenient Rental Payment

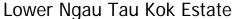
To facilitate rent payment by the PRH tenants, our rent collection network has been expanded with the provision of Alternative Counter Collection Channels. In addition to settling payment at convenience stores, our tenants can pay their rents at over 50 Customer Service Centres at MTR Stations.

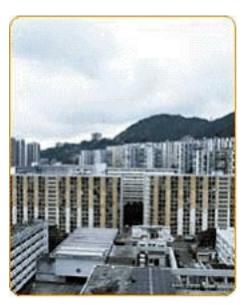
Better Living Conditions through Redevelopment and Clearance

We first launched our Comprehensive Redevelopment Programme in 1988 targeted to clear a total of 566 old housing blocks in the territory. Up to end of March 2008, we cleared a total of 559 old housing blocks, achieving 98.8% of our target. The clearance

of the remaining seven blocks at Lower Ngau Tau Kok Estate, consisting of some 5 405 units, will be completed in mid 2009.







So Uk Estate

We also plan to clear So Uk Estate and Block 22 of Tung Tau Estate because the repair works required to further maintain these estates are considered not cost-effective. The So Uk Estate is tentatively scheduled for evacuation in two phases during 2008/09 and 2011/12 while Block 22 of Tung Tau Estate is to be cleared in 2012.

In 2007/08, we assisted the Lands Department and Buildings Department in rehousing a total of 400 households affected by 100 squatter clearances and operations against illegal rooftop structures in 300 tenement buildings. We will continue our efforts and support of other government departments in fostering sustainable housing development in the territory.

Continuous Estate Improvements

To enhance the living quality of our tenants, we always look for opportunities to modernise and improve facilities in our PRH estates. In 2007/08, we continued our improvement works in all aspects in our public housing estates. Our latest modernisation initiatives include upgrading the communal aerial systems to cater for the launching of Digital Terrestrial Television broadcasting (DTT) and the provision of free public Wi Fi services.



Our Continual Efforts

Our improvement works in public housing estates during 2007/08 are highlighted below:

- Water Supply Systems
 - 27 pump rooms in 11 estates were renovated, with a total of 305 pump rooms renovated to date
 - 77 cast iron pumps were replaced with more durable stainless steel pumps
 - o 18 high-speed pumps were replaced with a low-speed, low noise version
- Lift Modernisation Programmes
 - 24 lifts at Tai Hing Estate were modernised and upgraded
 - 61 lifts at Shek Kip Mei, Wo Che, Cheung Ching and Tai Hing Estates are being replaced
 - Two additional lifts are being installed in Hing Wai House of Tai Hing Estate as part of the feasibility studies for the provision of lifts in low rise domestic blocks
- Rewiring inside Domestic Flats Programme
 - The rewiring of 12 833 flats was completed, which exceeded our target.
 - The wiring for socket outlets was also upgraded
 - Eight projects were completed under the Programme and the remaining five will be completed in 2008/09







Rewiring inside domestic flats

- Drainage Ambassador Scheme
 - The tenth round of inspections of external drainage pipes commenced in April 2007
 - 1 031 blocks were inspected and 204 blocks were repaired under the Scheme

New Modernization Services

- Upgrading Communal Aerial Systems
 - Began upgrading the communal aerial systems in our housing estates for the launch of DTT broadcasting in September 2007, to provide tenants with hi-definition television reception
 - Systems in 68 estates in Hong Kong, Kowloon and parts of Shatin were upgraded by the beginning of 2008

 System upgrading in the remaining estates will be completed by August 2008 to tie in with the second phase of DTT broadcasting

Free Wi-Fi Services

- Free on-line wireless services were provided from about 1 000 communal access points and hot spots in 120 PRH estates starting in January 2008
- Another service vendor will provide free Wi-Fi services in 45 PRH estates by August 2008



Free public Wi Fi services

Management of Service Contractors

We believe it is crucial to engage competent and well performing property services agents (PSA) to manage our PRH estates to ensure a quality living environment for our tenants. We therefore strengthened our tender selection process for the property services contracts by increasing assessment weighting from 36% to 50% of the total weight of the past performance of PSA. The new mechanism, effective June 2007, aims to strike a balance between finance and service quality when selecting PSA.

Estate Management Enforcement in Public Housing Estates

Launched in August 2003, our Marking Scheme for Estate Management Enforcement in Public Housing Estates ensures our tenants act considerately and in a socially responsible manner. The Scheme is designed to promote environmental hygiene and

better management of public housing estates and ultimately to build up a sustained healthy and pleasant living environment for our tenants.

Under the Scheme, tenants receive penalty points for misdeeds. A Notice-to-Quit will be issued to tenants who have accumulated over 16 penalty points within two years.

Penalty Points	No of Households receiving Penalty Points as of March 2008
< 10	2 670
10 – 15	191
> 16	14*
Total	2 875

^{*} Notice-to-Quite has been issued and nine flats have been recovered.

Effective October 2007, the Scheme has been extended to cover mixed tenure estates, including 39 Tenants Purchase Scheme and three Buy-or-Rent Option estates. Two misdeeds have been included in the Scheme starting 1 January 2008: "Illegal gambling in public" and "Using leased premises for illegal purposes", which allot five and seven penalty points respectively.

The results of Public Housing Recurrent Surveys showed that the Scheme has effectively improved cleanliness and hygienic conditions in our estates. Overall tenant satisfaction has increased from 52.1% in 2003 to 71% in 2007.



Health and Hygiene

General Hygiene

To safeguard tenant health, we provide intensified cleaning and disinfection of public places where a high risk of flu infection exists, including public facilities, playgrounds, areas near kindergartens and elderly centres. Since June 2003, we have provided hand-sanitisers at ground floor lift lobbies and tightened the enforcement against spitting and littering in our estates by introducing a fixed penalty. Following the enactment of the non-smoking policy, smoking is now prohibited in all our Public Rental Housing (PRH) estates.



Hand-sanitisers at lift lobbies at Shek Pai Wan Estate

During the Mid-Autumn Festival, a special patrol team of 70 HA staff and 200 security guards was formed to combat wax burning and littering in public areas. We also launched an education programme in our estates to reinforce the message to the public. After the three-day operation, the Team issued five fixed penalty notices and gave over 700 verbal warnings to the public.

Mosquito Control

To prevent the spreading of infectious mosquito-borne diseases in the community, we have instructed cleaning contractors to check all hygiene black spots and to eliminate all potential mosquito breeding grounds. High risk areas such as gullies, drains and areas with stagnant water are inspected and cleared by our Anti-mosquito Special Cleansing Squad every day. To further eliminate mosquito breeding in these areas, we apply larvicidal oil every two weeks and trim plants and grass regularly. A total of 240 mosquito traps were also installed at estates with high Monthly Ovitrap Indexes. Anti-mosquito messages are reinforced through roving carnivals held in 25 estates to raise general awareness.









Cleansing at Estate



Gas operated Mosquito Catching Apparatus Spraying insecticide on slope

Management for Commercial Properties

Similar to the Marking Scheme applied to our housing estates, we launched the Enhanced Marking Scheme for our commercial and retail properties, with allotment of penalty points depending on the seriousness of misdeeds committed since October 2006. The Scheme has proven to be effective; about 77% of the respondents of the Public Housing Recurrent Survey 2007 found that it improved the cleanliness and hygienic conditions of our commercial and retail facilities, providing a more enjoyable shopping experience.

The level of cleanliness of our commercial and retail facilities was further improved through the launch of our quarterly incentive awards, namely the Award for Best Toilet Management and the Best Hygiene Award for Food Premises.





Award for Best Toilet Management and the Best Hygiene Award for Food Premises in Kwai Chung Estate





Award for Best Toilet Management and the Best Hygiene Award for Food Premises in Hoi Lai Shopping Centre

Action against Illegal Cooked Food Stalls

Illegal cooked food hawkers have created significant hygiene problems in our PRH estates. In 2007/08, we conducted a total of 10 805 raids and 185 joint operations with the Food and Environmental Hygiene Department and the Police against illegal cooked food hawkers, resulting in 192 arrests and 1 242 seizures. To combat the increasing number of illegal hawkers during Chinese New Year, we established eight special teams consisting of about 60 members to check and clear hawker black spots in our estates. As of March 2008, nine households that committed the misdeed on illegal hawking of cooked food were allotted seven penalty points under the Marking Scheme for Estate Management Enforcement in Public Housing Estates.

Д Тор

Staff Development and Participation

Human resources are the major asset of our operations. We are wholly committed to

providing development opportunities for staff by offering various training and experience sharing programmes in the areas of work-related skills, professional development and personal attributes.

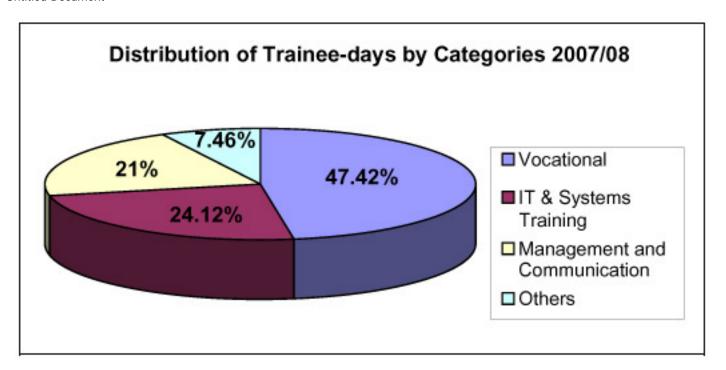
Staff Development Targets for period 2007/08	Progress
Enhance staff environmental awareness and knowledge by soliciting and analysing training needs, organising, seminars, displaying of environmental issues at HA Headquarters' Green Corner and providing environmental messages on the e-Learning Portal.	Substantial Progress*
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

^{*} Our target is to organise six seminars and arrange four displays at HA Headquarters. Up to end March 2008, eight seminars and three sets of displays have been completed. The fourth display was affected by the progress of the Sustainability Report 2006/07 and was launched in May 2008.

Internal Capability Building

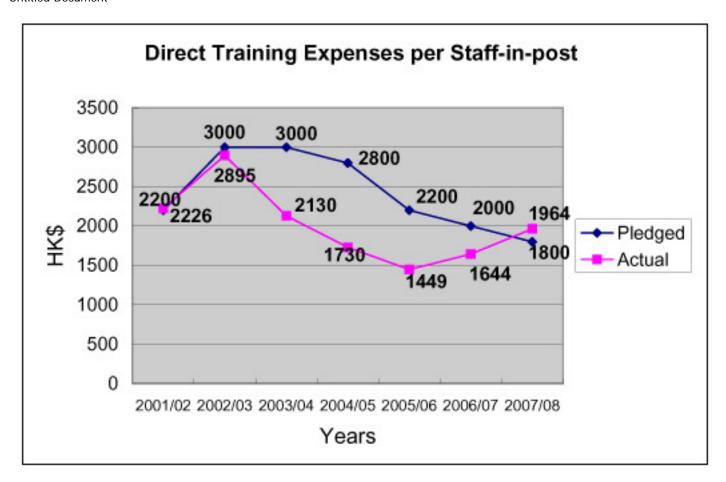
To keep our staff apprised of current practices and knowledge and to sharpen their supervisory skills, we have continued to provide training opportunities in all aspects of our operations through classroom training and an e-learning system. We also offered various sponsorship schemes, such as Contract Staff Development Programme, External Training Sponsorship Scheme for Front-line Staff and External Management Training Sponsorship Scheme, to encourage staff to increase their competence.

In 2007/08, we provided different types of training in response to corporate initiatives and staff needs. Average training investment per staff member was HK\$1 964, which exceeded the pledged Key Performance Indicator (KPI) of HK\$1 800.

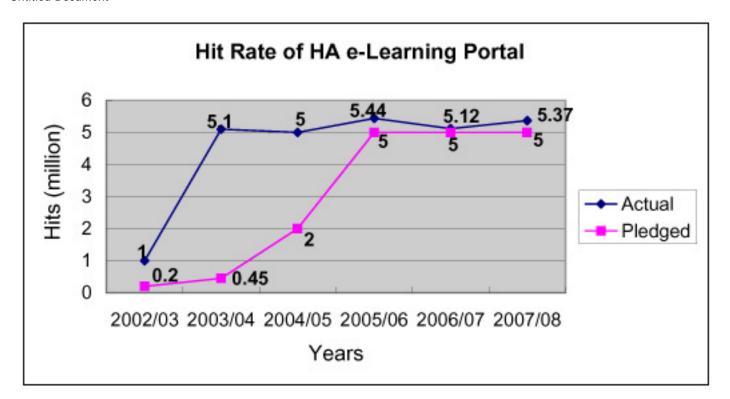


Note:

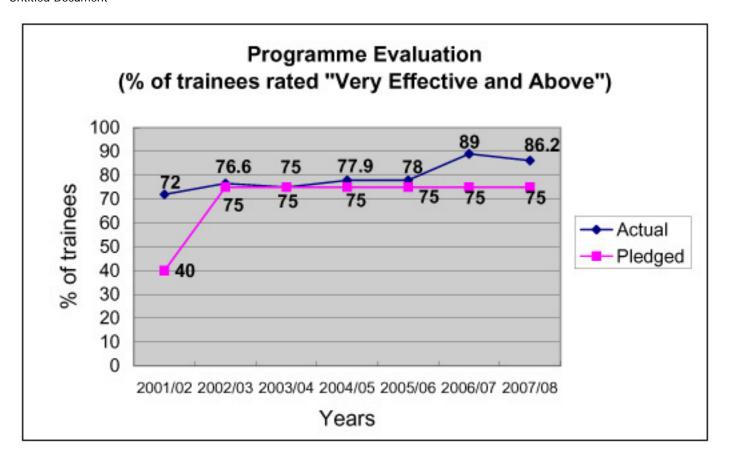
- 1. The analysis on the nature of training programmes is based on the number of classroom trainee days. The trainee days generated through e-learning mode and for non-HA staff were excluded.
- 2. Vocational means technical and professional training programmes.
- 3. Management and Communication means customer service, leadership, media handling management, languages courses, human resource management, etc.
- 4. Others include staff integrity programmes, national studies programmes, etc.



Apart from traditional classroom training, we also offered a flexible e-Learning platform, namely the HA e-Learning Portal (HAELP), to encourage self-learning among our staff. In 2007/08, we recorded 5.37 million hits from the HAELP, which exceeded our pledged target of 5 million hits. The consistent high utilisation rate indicates that the HAELP provided a convenient and user-friendly alternative mode to acquire work-related knowledge.



To optimise the use of training resources, it is important to measure their effectiveness. Besides collecting the feedback of classroom trainees, since last year we have also measured the satisfaction level of business partners/project sponsors regarding tailor-made programmes. There is an increasing trend of trainee satisfaction of our courses and tailor-made projects, and it has already surpassed our pledge target. In 2007/08, 86.2% of users rated our courses and services as Very Effective or higher.



Throughout the years, our capability building programmes have provided solid support to the corporate initiatives and business divisions. In early 2008, we launched the "Promotion of HA Core Values" initiative and expanded our training programme to enhance the competence and exposure of staff. During the year, we organised and arranged comprehensive training and promotion events covering strategy, technical and professional knowledge and social well-being.



Executive Talk delivered to senior officers by Mrs Regina Ip, former Secretary for Security



Stress-release Exercise during Office Safety Training







Team Building Training

Awareness Enhancement

To underpin staff awareness on corporate value and initiatives, we had launched various promotion activities during the year. For instance, under the "Promotion of HA's Core Values" initiative, we



HA's Core Value Logo

designed a new log for publicity and held a Couplet Competition in November – December 2007 to raise staff's awareness on the HA's Core Values. The competition received an overwhelming response with over 400 couplets received.

We have also promoted health-related knowledge internally to protect our staff. We maintained a Health Portal to enhance staff awareness on balanced work life and their health. We also launched a "Healthy Website Nomination Champaign" from October to December 2007 to promote the health consciousness among staff. To further raise staff awareness, we organised an online quiz programme on health-related knowledge, and around 9 300 correct answers were recorded.







Healthy Website Nomination Champaign

Staff Participation

We understand the importance of work-life balance to the well-being of our staff and therefore had organised a variety of social and sports activities for them and their family members. These activities included outing, hiking, fun fair, banquet and competition as well as leisure courses such as Jazz dance, yoga, Tai Chi, social dance, Chinese painting, aerobic and martial arts. Over 7 300 participants had jointed these activities during the year.

In addition to participation in our internal programmes, our staff are also encouraged to actively participate in charity work to reach out and benefit the society through various social caring activities. During the year, our Volunteer Interest Group had participated in the following activities:

- Tree Planting Day for Civil Service Volunteer Action at the Tai Lam Country Park
- The Hong Kong Tree Planting Day 2008 to plant in an area named "Olympic Green" to mark the first Olympic Games hosted by China
- Senior Citizens Day to visit the elderly in Wong Chuk Hang Estate and distribute gift packs containing winter clothing and foodstuff to the elderly
- "Redecoration of Homes of the Elderly" project to repaint the flats of the elderly



Planting Trees for "Olympic Green"



ECONOMIC PERFORMANCE

Financial Performance

Housing Rent Policy

Resource Optimisation

Operation with Cost-Effectiveness

About 28% of Hong Kong's population lives in Public Rental Housing (PRH) estates provided by the Housing Authority (HA), therefore to serve the public's best interests we must continue to improve our housing units and services to ensure the best use of public funds. We strive for functional and cost-effective solutions through the best use of materials and the latest building techniques to enhance quality, safety and the well-being of our residents.

Economic Performance Targets for period 2007/08	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 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

The Housing Authority (HA) is financially autonomous. Our enormous public housing programmes are sustained through internally generated funds. A financial review for 2007/08 is provided in our Annual Report.

Our financial performance at-a-glance

Consolidated Surplus in 2007/08

	HK\$ M
Consolidated Operating Account Surplus	2 418
Funds Management Account Surplus	939
Agency Account Deficit	(53)
Surplus for the year before appropriation	3 304

Appropriation:-

Interest on Government Loan Capital	(70)
Dividend Payable to Government	(217)
Surplus for the Year after Appropriation	3 017

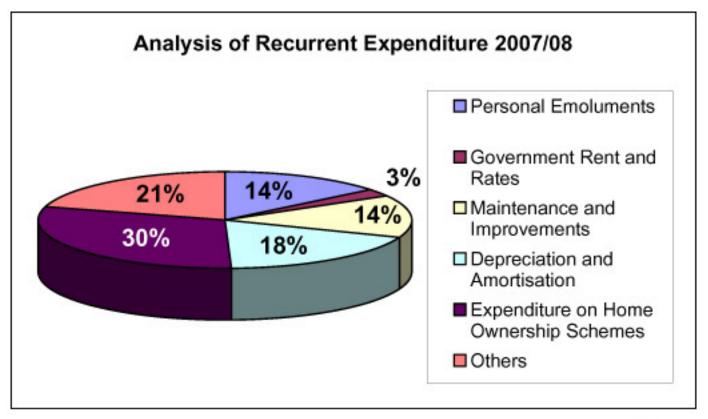
Breakdown of Consolidated Operating Surplus/(Deficit) in 2007/08

	HK\$ M
Rental Housing Operations	(922)
Commercial Operations	530
Home Ownership Assistance Operations	2 626
Surplus for the year before non-operating expenditure and exceptional items	2 234
Net non-operating expenditure	(414)
Exceptional items	598
Consolidated Operating Account Surplus for the year	2 418

Capital Expenditure for Years Ended 2004 - 2008

Itama			HK\$ M		
Items	2003/04	2004/05	2005/06	2006/07	2007/08
Construction	11 062	7 228	3 467	3 634	4 950
Improvement Works	332	174	214	107	162
Computer Systems	94	105	84	111	117
Total Capital Expenditure	11 488	7 507	3 765	3 852	5 229

As at 31 March 2008, the HA's funds available for investment stood at HK\$55 547 million, an increase by HK\$3 092 million as compared to 31 March 2007.



Д Тор

Housing Rent Policy

Income-based Rent Adjustment Mechanism

The Housing (Amendment) Ordinance 2007 which came into operation on 1st January 2008 provides a more flexible rent adjustment mechanism for PRH that allows both upward and downward adjustment of rent according to changes in tenants' household income. The first rent review will be conducted in 2010, with subsequent reviews to be conducted every two years thereafter. To provide an appropriate starting point for the new rent adjustment mechanism to operate effectively, the HA reduced PRH rent by 11.6% in August 2007.

Assisting Families with Financial Hardship

We introduced the Rent Assistance Scheme (RAS) in 1992 to offer either a 25% or 50% rent reduction temporarily to tenants with different levels of financial hardship. Effective 1 August 2007, we have relaxed the eligibility criteria by lowering the rent-to-income ratios and increasing of the income thresholds to make the scheme more readily available to tenants suffering genuine financial hardship.



Resource Optimisation

Public Rental Housing

It is our primary role to provide Public Rental Housing (PRH) flats to those who cannot afford housing in the private rental market. During the year, the Housing Authority (HA)

received an average of 2 100 new Waiting List registrations every month. The average waiting time for general applicants and elderly one-person applicants stood at 1.9 and 1.1 years respectively.

In 2007/08, we allocated a total of 13 000 flats to Waiting List applicants.

	Average Waiting Time for PRH			
	General Applicants Elderly One-person Applicants			
Our Pledge	3 years 2 years			
Actual Waiting Time	1.9 years 1.1 years			

Combating Tenancy Abuse

The Public Housing Resources Management (PHRM) sub-section guards against abuse of our precious housing resources. In 2007/08, the PHRM investigated some 7 400 suspected cases of tenancy abuse and checked on some 4 800 cases to determine eligibility for subsidised housing among the families involved. The PHRM's efforts in recovering abused PRH flats, together with flats that are voluntarily surrendered and some 15 000 new flats we build every year, result in a total of about 27 400 flats that could be allocated to the needy annually. Our efforts in combating tenancy abuse have been widely communicated to Estate Management Advisory Committee members and tenants through video broadcasting to enhance their understanding of the housing policies.

Combating Rent Arrears

We have launched various initiatives to prevent and combat rent arrears of our PRH and commercial tenants. For PRH tenants, we have set up an enquiry hotline to allow tenants to check their rent payment history for the past six months. We have also launched a phased "Auto-dialing Rent Reminder" service via SMS or recorded message that reminds tenants to settle outstanding rent. Moreover we were able to directly transfer rent allowance for Comprehensive Social Security Assistance households from the Social Welfare Department starting 1 June 2007. These measures have effectively reduced the rate of rental arrears of our PRH tenants from some 5-6% in previous years to 3.5% this year.

For commercial tenants, we have implemented different preventive measures to combat rent arrears. These include encouraging tenants to adopt autopay for rent payment, refusing future leasing of our commercial premises to those whose tenancies have been terminated due to rent arrears, as well as revising the interest rate on rent arrears and other moneys owed to the HA to 2% per month. To further enhance the rental collection process we are currently developing a computer system to allow the printing of demand notes and facilitate on-line updating of payment histories.

Surplus Subsidised Home Ownership Scheme Units

The production and sale of Home Ownership Scheme (HOS) flats were ceased in 2003 due to the repositioning of local housing policy, resulting in some 16 600 surplus HOS flats. To fully utilise our housing resources we created a plan to sell all the surplus HOS flats in two phases every year from 2007 to 2009.

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%

After the completion of the first two phases, a total of 6 307 surplus HOS flats were successfully sold. The third sales phase of 3 052 HOS flats commenced in late February 2008. To encourage the purchase of surplus HOS flats to eligible applicants, pricing in the first three phases was set at 70% of assessed market value.





Home Ownership Scheme (HOS) flats - Kingsford Terrace in Wong Tai Sin

Reducing Vacancy Rates

As part of our 12th Express Flat Allocation Scheme, we implemented a new letting strategy in July 2007. Under the initiative, eligible applicants applying for PRH estates will have a second opportunity to choose a housing unit even though they failed in the first round. A total of 2 900 applicants were housed after implementing this initiative for nine months.

To further reduce the vacancy rates of our housing resources, we offer rent reduction incentives from 1 September 2007 to PRH tenants who take up flats with long vacancy periods. Tenants are entitled to a 50% rental reduction for eight months or 12 months if they have taken up flats with a valid vacant period of 12-24 months or over 24 months

respectively. Through this incentive scheme, 2 400 long vacant flats have been taken up by the end of March 2008.

Besides public housing, we have also launched various initiatives to enhance better utilization of our commercial premises. These include:

Locations	Initiatives	Status
Tin Heng Car Park	Conversion of the fifth floor into a creative media workshop	Completed
	Renovation on the first, second and fifth floors to a Telebet cum Volunteers and Training Centre	In progress
Nam Shan Car Park	Conversion of the car parks into arts- related facilities	Negotiating with relevant parties





Tin Heng Car Park - Conversion of the fifth floor into a creative media workshop



Tin Heng Car Park -Renovation on the first, second and fifth floors to a Telebet cum Volunteers and Training Centre

Diversifying Letting Strategies for Commercial Properties

Throughout the years we have derived a number of diversified letting strategies to boost the letting rate of our commercial properties, with due consideration of market trends. These include Open Instant Tenders, walk-in applications, the designation of vacant shops and stalls for multiple trades, package lettings, rent-free incentive schemes for long-standing vacancies, reviews of the trade mix in existing shopping centres, and invitation of large chain stores to operate in our properties. To keep pace with market trends, we appointed a leasing advisor to develop detailed design, leasing, tenant-mix, marking and promotional plans in our new Yau Tong/Lei Yue Mun Retail and Car Parking Development project.

Adhering to our social commitments, we fully support the "Enhancing Self-Reliance through District Partnership Programmes" funded by the Home Affairs Department to provide suitable rental premises to non-profit organisations. Under the programme, we have let our properties to two non-government organisations at Pak Tin Estate and Hoi Lai Shopping Centre. One of our recent initiatives was to renovate vacant kindergarten premises for welfare lettings or government offices.

Managing Car Park Facilities

Effective 1 January 2008, the monthly parking charges in 33 HA car parks with higher occupancy rates have been increased by 5%, with a flat increase of HK\$20 for motorcycles. The hourly rate for private cars also went up by HK\$1 for all HA car parks. Despite the increase, the adjustment benefited the users by extending the day-pass rate to cover weekends and public holidays, and offering a 20% discount for the bulk purchase of 50 parking coupons or its multiples.

To enhance accessibility and security, we are planning to install Octopus payment systems and enhanced electronic security systems within our car parks.

Д Тор

Operation with Cost-Effectiveness

Improve Building Design and Construction

To optimise the development potential of individual building sites and the utilisation of the surrounding environment, the Housing Authority (HA) has moved into site-specific designs in recent years. Because of the greater challenges in buildability and cost considerations, we have incorporated a range of modular flat designs into these diverse building developments. These modular flats, planned to roll out in around late 2008, enhance consistency in our buildings and enable our housing programme to be realised in a planned and sustainable manner, with greater safety and less environmental impact. Costs are greatly reduced by the module repetitions and the ability to use more mechanised and prefabricated construction techniques.

First introduced in the 1980s, the use of precasting and prefabrication construction techniques benefits the building process by improving building quality, increasing site safety, reducing noise and air pollution, minimising construction waste as well as rationalising the costs. To confirm the advantage of using these techniques in our housing units, we conducted a trial run in the redevelopment of a flatted factory in Kwai Chung (see Case Study). The project was completed in early 2008 and a total of 60% of the concrete work adopted precasting and prefabrication.







Redevelopment of the Flatted Factory in Kwai Chung using Precasting and Prefabrication Construction Techniques

Cost Effective Structural Design

We always look for opportunities to further enhance our structural optimisation process. Independent studies on the structural cost effectiveness of our estates show that the total construction costs of HA projects are more than 40% lower than similar projects in the private sector, while the structural cost of non-standard residential blocks are 17% lower than private sector projects. In 2007, we continued our efforts to develop our own software to enhance the efficiency of our structural optimisation work. As a result, total construction costs were trimmed by about 1%.

Independent Checking and Performance Monitoring

The Independent Checking Unit (ICU) carries out the necessary building controls based on the Building Department's practices. As our buildings do not fall under the control of the Buildings Ordinance, to ensure regulatory compliance the ICU is responsible for carrying out third party monitoring and control of all new developments, alterations, and addition works in all Public Rental Housing (PRH) buildings. The ICU prevents unauthorised building works and any problems that may arise, to maintain building quality, the efficiency of our building process, and minimising costs incurred due to the renovation or removal of unauthorised structures. The ICU is also responsible for providing advice to licensing authorities and regulating the use of all lift and escalator installations within our PRH estates.

Utilisation of Expertise

Managing diverse business activities, we tap into private expertise in appropriate industries to add value to our services. As such we have outsourced the management of our shopping centres, factories and car-parks to private property management agents to provide additional care, achieve greater cost-effectiveness and improve the management of our facilities. In 2007/08, we subcontracted the management of four shopping centres, including Nam Shan, Shek Kip Mei, Pak Tin and Wah Fu (II) and the Lung Cheung Office Block, to three property management agents.



Nam Shan Shopping Centre



Shek Kip Mei Shopping Centre



Pak Tin Shopping Centre



Wah Fu (II) Shopping Centre

Total Maintenance Scheme

In February 2006, we introduced our Total Maintenance Scheme (TMS) to provide comprehensive in-flat inspections and maintenance services to all our PRH estates in a continuous five-year cycle. The TMS safeguards our housing quality by preventing minor issues from becoming serious problems both inside the tenants' homes and in the common areas of our buildings. This active maintenance scheme maximises the economic value of our housing assets by extending the effective life span of our housing blocks and providing better living conditions.

Since implementing the TMS, we have completed inspections of about 93 000 homes, which cover about 85% of the units in 50 estates. As a result, nearly 150 000 repairs costing about HK\$107 million had been completed.







Services under our Total Maintenance Scheme

Tenants could make inspection appointments and check maintenance progress through our maintenance hotline; over 33 000 appointments were successfully made between December 2006 and March 2008. Tenants were also able to access maintenance information on the TMS web site.

Our efforts in implementing the TMS have been widely recognised by the community. In 2007, the TMS received positive feedback from our tenants and significant awards in different areas. They are highlighted below.

- Our innovative and powerful computerised TMS System (TMSS) won the Best Public Service Application (Innovative) Silver Award and the Best Public Service Application (Most Favoured) Bronze Award in Hong Kong's Information and Communication Technology Awards 2007 organised by the Hong Kong Institution of Engineers.
- 2. The TMS received the second runner-up award in the Internal Service Category of the Civil Service Bureau's Outstanding Service Award Scheme.



TMSS won various awards

3. Results of the TMS survey in December 2007 showed that 87% of tenants were either very satisfied or satisfied with our TMS maintenance services. Among them, 73% deemed that the TMS is very effective or effective in improving the quality of inflat maintenance.

In addition to direct communication with our In-flat Inspection Ambassadors and video broadcasting at the Housing Channel, we have also run the Maintenance Education Path at Tai Wo Hau Estate and Mobile Education Booths at PRH estates to promote public awareness of the importance of maintenance in PRH estates. So far, our Mobile Education Booths have visited 44 estates and have attracted over 13 000 visitors.



Comprehensive Structural Investigation Programme

Targeting older PRH estates, our Comprehensive Structural Investigation Programme (CSIP) provides a "health check"

Maintenance Education Path at Tai Wo Hau Estate

on the safety, building structure and quality of accommodation of our housing estates. The CSIP facilitates the formulation of long-term maintenance and re-development strategy of old PRH estates that can maximise operational efficiency and also optimise the economic value of our housing assets. In concert with the TMS, the CSIP contributes to achieve the sustainability of our public housing stock.

In 2007/08, we completed the investigations at Tung Tau Estate Block 22 and Fuk Loi Estate and made a decision to clear the former and maintain the latter for a further 15 years. Investigations at Wah Fu Estate and Ping Shek Estate are well under way and will be completed by the end of 2008. The CSIP has been extended as a long-term programme; a further 32 ageing estates will be investigated in the next 10 years.



Tung Tau Estate Block 22



Fuk Loi Estate

Research and Development

To better manage and improve our massive housing stock, we endeavour to explore various new R&D initiatives to enhance our operation efficiency and reduce environmental impact. These initiatives include the investigation of more durable materials, longer lasting repair methods and the use of more environmentally friendly materials, so as to reduce long term maintenance costs. We have also studied the use of stain-, odour- and germ-free tiling and coatings for public toilets and other hygienic areas, as well as the applicability and effectiveness of various testing techniques.

In 2007/08, we introduced initiatives such as stainless steel water pipes, new insulation materials on metal pipes to address condensation problems, a new technique for concrete repairs, and two testing techniques, namely a microwave moisture measuring system and

an on-site stainless steel testing kit. The former provides a three-dimensional picture of moisture content inside building elements that can help minimise the need for repeated inspections and repairs; while the latter enables immediate on-site checking to ensure the correct grade of stainless steel.

Empowerment with IT

The efficiency of our services has been greatly enhanced by increasing IT applications in our daily operations. We implemented two major systems in the management and maintenance of our housing estates, which help to improve the processing of PRH applications and the management of domestic tenancies. For instance, tenants can submit their applications and check progress online. The systems also enhance the enquiry handling process by enabling our frontline staff and hotline operators to easily locate tenant information. We also introduced the face authentication system to facilitate the management and monitoring of cleaning staff and security guards at our housing estates.





Wall Mount Type Face Authentication System Kiosk Type Face Authentication System

Internally, IT also helps improving office operations. We are testing imaging technology to improve overall operation efficiency and reduce the use of paper. In addition, we are building a corporate data warehouse to facilitate the decision making process by monitoring our operations, trends identification, information analysis and forecasts.



STAKEHOLDER ENGAGEMENT

Community Engagement

 Engagement of Tenants and Business Partners

Staff Engagement

Sustainability in housing cannot be achieved without the engagement and support of our stakeholders, which include:

- residents in our estates;
- business partners, including contractors and sub-contractors;
- our staff;
- other government colleagues;
- district councils;
- suppliers;
- green groups;
- the many organisations that represent society in general both in the social as well as the environmental sphere;
- educational and professional institutions; and
- the media.

To ensure sustainability, it is important to hear views from our stakeholders and the community and create a sense of neighbourhood within our estates. To this end, the Housing Authority (HA) not only disseminated our sustainability initiatives and achievements to the community and our staff members through various means, but also launched various comprehensive engagement programmes including consultations, workshops, exhibitions, and games and competitions, to encourage active participation from stakeholders in our decision making processes.

Stakeholder Engagement Targets for period 2007/08	Progress
Conduct various initiatives for HA 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 Housing Authority policies and initiatives through different publicity channels.	Fully Met
Collaborate with green groups to conduct environmental awareness programme in PRH.	Fully Met

Promote green management initiatives in PRH estates by organizing Green Property Management Award with green groups.

Fully Met

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

Fully Met

Community Engagement

Effective Communication with the Public

Information on housing policy and our activities can be accessed on the HA's web site, which has about 20 000 pages in English and Chinese. Following the trend in on-line communication we have introduced e-initiatives, including the use of electronic forms, online enquiry services and an Electronic Photo Library with thousands of Public Rental Housing (PRH) photographs, to enhance public accessibility of housing information and services; as a result we have had an average of almost 4 million hits a month.

Our e-initiatives also apply to the sale of our Surplus Home Ownership Scheme (HOS) Flats. In addition to the availability of floor plans, location maps and price lists on our web site, an online photo library showing interior shots of returned HOS flats was launched starting from the Phase 2 sale exercise. Since then, almost 15 000 photos of over 2 000 Phase 2 flats and over 4 000 photos of 655 returned Phase 3 flats were uploaded to the library. Over 963 500 hits were recorded during the two-week application period for Phase 2 sales.



Location Map and Floor Plan of Tung Hei Court in Our Website

First launched in 2004, our Housing Channel provides the latest housing information to

tenants. During the year, we produced over 40 videos regarding the promotion of harmonious homes, public hygiene, green practices, and the sale of Surplus HOS Flats. We also make use of the Channel to dispatch special information for individual estates. The Housing Channel programmes are also available on our web site.

Our activities and initiatives are also highlighted and published in our online newsletter "Housing Dimensions" every two weeks. It serves as a quick update on the HA's latest initiatives for staff and the public. In 2007/08, we produced 25 issues covering our important environmental, social and financial initiatives.

We also produced the semi-annual "Estate Management Advisory Committee" newsletter to update PRH tenants on housing issues and estate news. To enhance accessibility and facilitate reading for the visually impaired, major stories in the newsletter were also available on the HA Hotline.



Estate Management Advisory Committee Newsletter

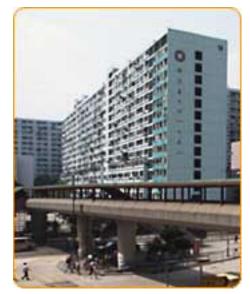
Public Enquiries

The Housing Authority Hotline provides a direct communication platform between the HA and the public. In 2007/08, our hotline handled a total of 1 538 000 telephone calls, equivalent to almost 4 200 calls per day, an increase of more than 45.6% from the previous year. In addition, the Housing Department Integrated Communication Centre (HDICC) handled 74 700 e-mail and fax enquiries, an average of 200 cases per day.

To enhance our enquiry handling service, the HDICC will integrate with the Complaint and Requests Management System. The new system will enhance online registration, referrals, as well as the handling and monitoring of complaints and enquiries.

Community Involvement in Housing Development and Preservation Under the "Let's Give Yau Tong a New Look" initiative, a series of workshops were held at the end of 2007 to discuss the design of the public open spaces at Yau Tong Estate, which will benefit 80 000 people when complete. More than 250 people participated in these workshops, contributing ideas, offering design options, establishing priorities and agreeing on the preferred layout for the open spaces.

In the past six years, following the redevelopment of the Lower Ngau Tau Kok Estate and the relocation of residents to the Upper Ngau Tau Kok Estate, we organised various activities involving local residents to preserve the cultural heritage of the area and to establish a sense of identity, ownership and kinship within the local community. Continuing our efforts, a series of workshops were held in 2007 to involve stakeholders in the design of the Ngau Tau Kok Estate.







Upper Ngau Tau Kok Estate

Built in the 1950s, Mei Ho House at Shek Kip Mei is one of Hong Kong's oldest resettlement blocks. It is part of Hong Kong's public housing history and was classified as a Grade I historical building by the Antiquities Advisory Board in 2005. To gain public views on how the building will be revitalised and of use to the community, a competition was held among Hong Kong's professional institutions and almost 50 entries were received. Mei Ho House is now one of the seven historic buildings in the Development Bureau's Revitalising Historic Buildings through Partnership Scheme. It will be used by non-profit organisations in activities that will benefit Hong Kong.





Mei Ho House

Media Relations

To gear community support, it is important to keep the HA's operations and housing policies transparent to the public. We always maintain close dialogue with the media to enable public understanding of our new developments and initiatives. In 2007/08, we issued over 68 press releases and arranged some 50 press briefings and interviews through our News Unit and handled around 943 enquiries and 991 public complaints referred by the media.



Engagement of Tenants and Business Partners

Joint Hand with our Tenants

To provide a clean living environment in Public Rental Housing (PRH) estates, we launched an Incentive Award Scheme on Estate Cleanliness in 2007. In addition to receiving a certificate of appreciation, the winning estates will receive extra funding to improve estate cleanliness.

Our cleaning initiatives have always received positive feedback from the community. One of these, "Operation Tai Ping Tei", is organised quarterly with our tenants. In 2007/08, we conducted 409 cleaning activities supported by 8 953 residents and volunteers.





Operation Tai Ping Tei

Better Living in Estates

To foster sustainable culture in our estates, we always work with different green groups and non-government organisations to conduct a diversity of green initiatives and activities for our tenants. One successful example is our "Green Delight in Estates" programme, a collaboration with the Conservancy Association, Green Power and Friends of the Earth (HK). Under the programme, the green groups provide different educational activities regarding conservation, recycling and waste management for 30 selected estates each year (See Case Study). Another example is our Estate Green Fun Days held in 15 estates to drive the environmental message home.









Green Delight in Estates

We also worked with the Rotary Club of Hong Kong Northeast District to launch the "Preserve Planet Earth" programme in six PRH estates. The programme invites tenants to exchange an incandescent bulb for a free energy saving bulb donated by the Club.

Aside of our own initiatives, we supported activities organised by green groups and the government. For instance, we participated in the Green Carnival organised by the Green Council and the Electrical and Mechanical Services Department's Safety Carnival to learn how to use electricity safely.





EMSD's Safety Carnival 2007





Green Carnival

Fire Safety in Estates

Human life is one of our prime concerns in our operations; fire is one of the potential dangers and poses the greatest risk to our tenants. We encourage the Estate Management Advisory Committee (EMACs) to promote fire safety awareness among tenants through a special incentive scheme. In addition to regular fire drills, fire safety messages are effectively conveyed to tenants though various publicity programmes such as Fire Safety Quizzes and the Estate Fire Safety Fun-filled Shows organised jointly with a radio station. Survey results showed that our tenants have high safety awareness and over 80% are satisfied or very satisfied with the overall fire safety environment in our estates.



Fire Drill at Tsz Ching Estate



Launching Ceremony of the Estate Fire Safety Campaign 07/08

Working with Business Partners

In our new property services contracts starting June 2007, property services agents (PSA) are required to attend a partnering workshop with representatives from the Estate Management Advisory Committees (EMACs), tenant, community and frontline HA staff. The workshops enhance the mutual understanding and trust between the participating parties and also foster a culture of partnership and commitment within the community.

We also encourage PSA staff to enhance their capability through different training opportunities. We work with the Hong Kong Polytechnic University to provide a customised "Certificate in Public Housing Agency Management Course" and offer sponsorship for PSA staff to attend the training. About 100 staff completed the course last year.

To enhance safety awareness among our cleaning staff and contractors, we organised a joint promotional event with the Occupational Safety and Health Council in March 2007 and site safety seminars in July and October 2007. We also arranged seminars on labour legislation and Prevention of Bribery Ordinance for cleansing and security operatives.

In March 2008, we invited about 700 EMAC members to attend a seminar regarding the latest housing policies and management techniques in cultivating a culture of integrity and harmony in the community.

We run partnering workshops with our subcontractors as part of all our building and piling contracts. After seven years experience, a better understanding of each other's problems has led to prompt solutions, smoother progress, less paperwork, and improved quality of work. Everyone has become more proactive in working towards common project objectives.

We also assisted the Hong Kong Policy Force in developing its own training administration systems based on the HA e-Learning Portal (HAELP) and shared our HAELP with the Macau SARG.

Feedback from Stakeholders

To continuously enhance our services, we actively seek stakeholders' feedback to identify areas for improvement. One of the effective mechanisms is our annual Public Housing Recurrent Survey (PHRS). The PHRS has been conducted since 1992, with the main objectives of 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 2008 include:

- socio-economic profiles of PRH households;
- satisfaction levels and opinions on various estate management and maintenance services;
- views on environmental protection measures;
- households' shopping behaviours;
- · utilisation of car parking facilities; and
- · tenants' future housing plans.

Results of the PRHS 2008 indicated that tenants' satisfaction towards our maintenance-related services continued to improve over the past few years and reached its highest level in 2008. Over 70% of the respondents were satisfied with the cleanliness and hygienic conditions of common area in public housing estates. Some 75% of PRH tenants among those who knew the Marking Scheme for Estate Management Enforcement considered that the Scheme could help improve the cleanliness and hygienic conditions of their estates.

On the effectiveness and attractiveness of a range of enhanced housing schemes to promote harmonious families implemented since October 2007, a large proportion of

PRH tenants held positive views and considered that such measures are effective to encourage young people to live with and take care of their elderly parents.



Staff Engagement

In June/July 2007, the Housing Authority (HA) conducted a large scale voluntary staff opinion survey with a response rate of 69 per cent. The survey aimed to collect staff views on various issues and promote a clearer understanding of the HA's policies among staff. The survey indicated that our staff were most satisfied with the supervision, pay and teamwork in the HA. Taking staff opinion into consideration, we introduced both long- and short-term measures to align staff aspirations with the HA's goals and objectives, especially on work efficiency, people management, organisation culture, and communication to enhance staff engagement.

In mapping out our future manpower strategy, a detailed review is being conducted between September 2007 and the end of 2008. We are currently consolidating views and feedback from staff and other stakeholders regarding the implementation of the existing staffing policies.



CASE STUDY

- Green Delight in Estates Making Public Rental Housing a Greener Living Place
- Redevelopment of Kwai Chung Estate Practicing Sustainable Development

Green Delight in Estates -Making Public Rental Housing a Greener Living Place

With around two million people living in Public Rental Housing (PRH), we recognise the significant contributions PRH tenants can make to protect the environment. As such, in mid-2005, the Housing Authority (HA) partnered with the Conservancy Association, Friends of the Earth (HK) and Green Power to launch the long-term community environmental programme "Green Delight in Estates".

The programme aimed to raise the environmental awareness of PRH residents and instill a culture of protecting and improving the environment.

Comprised of two parts, it rolled out in phases to ultimately cover all PRH estates. The first part of the programme was a territory-wide campaign with a main environmental theme, whereas the second part contained educational and promotional environmental programmes designed by green groups for individual estates.



Face-to-face Promotion Educating Residents in Waste Separation – Sun Chui

In the first two phases, the theme of the programme's first part focused on waste reduction and recycling in PRH estates. Recycling days were held in different estates to encourage tenants to practice waste separation and recycle unwanted household items. To foster environmental awareness among residents, green groups recruited and trained 300 young PRH tenants to become "Green Ambassadors", to help spread green messages in the community during each programme phase.



Briefing to the Estates Management Advisory Committee Members



Volunteer Leader Training Workshop

The second part was a long-term self sustaining programme to enhance community cohesion and establish a green culture in PRH estates. Starting in 2005, 30 PRH estates were selected to participate in each phase of the programme. Each of the green groups carried out unique educational and promotional programmes in 10 selected PRH estates that focused on special themes, such as waste reduction/recycling, waste separation at the source, estate greening, reducing the use of plastic bags, building up green infrastructure, promoting green practices, etc. To sustain a longer-term environmental commitment among residents, green groups will recruit and train a volunteer core group from each participating estate. The group will eventually take over the programme and become trainers to convey environmental knowledge and guide other residents toward a green lifestyle.



Electronic Waste Recycling Day



Exchange Square

According to a survey conducted by the Chinese University of Hong Kong, the environmental awareness of PRH tenants has risen continuously over the past two years. Over 73% of the tenants said they were more knowledgeable about environmental issues after participating in the programme, an increase of 6% from a year ago. About 70% of the respondents practiced separation of domestic waste at the source, while 65% used recycle bags. These figures are over 10% higher than two years ago.

The programme is currently in its third phase and a total of 90 PRH estates have participated in the programme. The theme of this year's programme was "Action Blue Sky". In collaboration with green groups, we launched territory-wide energy-saving activities in all PRH estates to encourage estate management staff and tenants to practice energy-saving measures. Each of the three green groups designed in-depth education activities for 30 selected PRH estates to strengthen tenants awareness of environmental protection and energy-saving. Residents from each participating estate have been trained to assist in programme implementation.





Eco-visit to Lung Fu Shan



Dolphin Watch



Eco-tour to Wetland Park

Redevelopment of Kwai Chung Estate - Practicing Sustainable Development



Old Kwai Chung Estate before Redevelopment



Communal Washing Area in Old Kwai Chung Estate



Market Bazaar in Old Kwai Chung Estate

Built in 1960s, Kwai Chung Estate was one of the earliest "Resettlement" Estates in Hong Kong. It was established when the population was increasing and at the time period when there was a shortage of safe and secure housing available.

By the late 1980s, it was learnt that the non self-contained type housing design provided in Kwai Chung Estate and the supporting facilities were unmatched with the expectations of residents. In this regard, Kwai Chung Estate was identified for redevelopment under the Housing Authority (HA)'s Comprehensive Redevelopment Programme in 1990s. The redevelopment project covers 11 hectares of site areas, providing a total of 14 500 improved accommodations as well as improvement works for supporting facilities within the Estate.

To achieve sustainable development, social, environmental and economical considerations were embraced during the implementation of this redevelopment project.

Social consideration was one of the key elements to be taken during the redevelopment of Kwai Chung Estate, of which the aim is to minimise social disruption to the residents and provide quality and comfortable living environment. A Comprehensive Redevelopment Programme (CRP) was implemented

during the redevelopment project, in which residents affected by the redevelopment could apply, if necessary, for rehousing in new or refurbished public housing flats reserved for that particular phase of redevelopment.

To further minimise the disturbance to the local community, some of the essential components of the community such as car parks, markets, youth centre, schools and religious shrines were maintained.



Kai Fong Association (Neighbourhood Community Association)



Existing Youth Centre



Existing Religious Shrine

The design and establishment of a "civic hub" during the redevelopment of Kwai Chung Estate provides a focal point for residents to meet and socialise. This civic hub gives great convenience to the public. It comprises a 3-storey commercial centre, airconditioned market with stall area, car-parking spaces, and a covered public transport interchange etc.



Elevations of the Commercial Podium



Commercial Centre

The HA continuously took economic considerations in optimising site development potentials during the redevelopment in order to cater for the increasing demand of flats in the late 1990s. At the time of redevelopment, the HA was able to optimise the site potentials by increasing the domestic gross area, which resulted in an increase in the number of new flats from 8 850 to 14 543.



New Road Network and Footbridge

During the estate redevelopment, environmental considerations were also taken in order to provide a green and healthy living environment for the residents. The overall area of open space within the estate has been increased from about 4.8ha to 7.5ha. Selected sites have been specifically designed to allow best possible use of open spaces for

residents of the district. The redevelopment works also led to a plantation of 170 000 new plants and retention of 100 old trees in the Estate. About 30% of the estate area has been landscaped.





Landscape Open Spaces

New construction technologies were also employed during the redevelopment of Kwai Chung Estate, while modular design concepts and prefabricated construction techniques were widely adopted in order to increase work efficiencies and avoid wastage.

Furthermore, during the construction period various innovative environmental measures were specifically applied in construction sites. Examples of these measures included provision of on-site wastewater treatment systems to ensure compliance of discharge, establishment of health and education programme to control mosquito breeding etc.

During the course of redevelopment, the HA was able to achieve high quality and standard of work. With continuous efforts of project management and supports from the building contractors and subcontractors, over 30 awards on safety, environmental and construction management were issued to various projects during the construction period. In 2008, our project at Phases 3, 4 and 5 redevelopment sites received a merit award under the residential category of the Quality Building Award (QBA) 2008.



Precast Element Storage Yard



Wastewater Treatment System



Residential blocks on the Podium in Kwai Chung Estate Phase 3 and 4

After 18 years of work and close attention to local interests, Kwai Chung Estate has been the largest CRP projects with homes for 40 000 people. The redevelopment has allowed for more effective land use and enhanced traffic flow in the area. Residents are now living in modern self-contained flats with a much improved Estate environment, a high standard of landscaping, and ample sitting out areas for the elderly and play facilities for children.







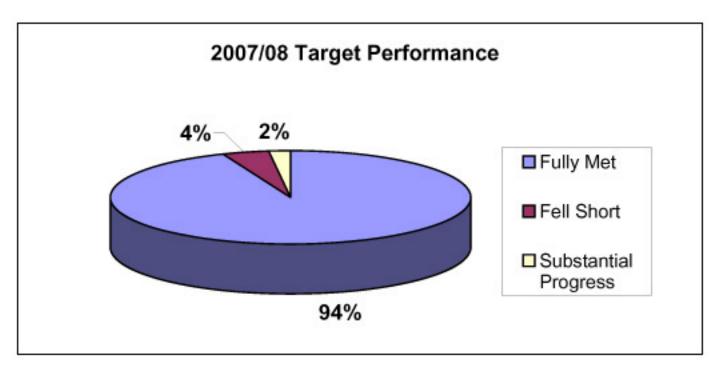
Vicinity of Kwai Chung Estate

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PREVIOUS TARGETS

We have set and implemented 47 targets during 2007/08. Our targets cover environmental, social and economic aspects of sustainability development. Details of these targets are provided in respective sections in this report.

Among these targets, 44 were fully met, 1 achieved substantial progress and 2 fell short.



Action Plan for Targets Not Fully Met

Targets	Progress	Causes	Action Plan for 2008/09
Continue to reduce water consumption at HA Headquarters by performing water saving initiatives as appropriate.	Water consumption exceeded the target by 1.9%.	Unexpected increase usage of water for cleansing due to the threat of potential avian influenza and pandemic flu.	To continue monitoring the progress and take action as necessary

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.

Enhance staff environmental awareness and knowledge by soliciting and analysing training needs, organising seminars, displaying of environmental issues at HA Headquarters' Green Corner and providing environmental messages on the e-Learning portal. Asbestos abated was 1.2% lower than the target.

There was a slippage on tendering of demolition for redevelopment of Wong Chuk Hang Estate Phases 2 & 3.

To continue monitoring the progress and take action as necessary

There was one outstanding display.

The display was affected by the progress of the Sustainability Report 2006/07.

The display was launched in May 2008.



TARGETS & OUTLOOK

We always look for advancement in fulfilling our mission to provide sustainable housing to our tenants. Over the years, we have gradually incorporated sustainability into our operations by setting a wide range of targets to gauge our performance. We will continue our effort in 2008/09 in pursuit of achieving various environmental, social and economic targets to meet the sustainability challenges ahead and ultimately attain performance excellence.

Looking forward, we have set our targets in 2008/09 including:

Awareness Raising Targets

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

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.

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

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

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

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 Estate Management Advisory Committees (EMACs), including distributing environmental publicity materials to tenants.

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.

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

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Water Conservation Targets

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 Public Rental Housing estates by using self-stopping water taps and conducting replumbing programmes to minimise pipe bursting and leakage as well as studying the feasibility of using rain water for plant watering and general cleaning.

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



Greening and Landscaping Targets

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

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

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

Promote a green environment at estates with Estate Management Advisory Committee support through the provision of green activities in estates.

Improve the slope appearance in existing Public Rental Housing 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.

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



Material Usage and Management Targets

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.

Use softwood timber doors in Public Rental Housing estate.



Noise Mitigation Targets

Reduce noise nuisance from water pumps in Public Rental Housing estates by replacing 3 000 rpm water pumps with 1 500 rpm water pumps.

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Waste Management Targets

Increase domestic waste recovery rate for paper, aluminium cans, plastic bottles and used clothes by arranging publicity activities such as Waste Recycling Credit Scheme for all Public Rental Housing estates.

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

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

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

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

Reduce construction and demolition (C&D) waste and ensure proper disposal by developing a Construction Waste Index through conducting surveys of C&D waste.

Use environmentally-friendly paper in printing of all publicity materials (except sales and marketing publication) by implementing its use as a pre-requisite in all printing jobs.



Energy Efficiency Targets

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

Explore and study application of more energy efficient equipment by completing trial installation of renewable energy powered lamp poles, adjustment of lift counterweight settings and technical survey of suitable LED luminaries for general lighting purpose from the market.

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

Explore and study application of green design for building services equipment.



Safety Targets

Continue to tighten monitoring of contractors with high accident rates.

Enhance the 'Pay for Safety, Environment and Hygiene' scheme with more performance driven initiatives for site safety.

Tighten control measures for high-risk operations on site.

Continue to hold regular seminars on best safety practices with the participation of contractors and project teams.

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 provide safety training to staff.

Issuance of site safety handbook and guidelines.



Social Targets

Continue implementation of the Marking Scheme in all Public Rental Housing estates and factories to enhance the living and factory environment respectively.

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

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



Economic Performance Targets

Implementing the new rent adjustment mechanism and following up the outcome of the Review of Domestic Rent Policy.

Continue to minimise the vacancy of Public Rental Housing estates.

Conduct tenancy control and education campaigns with an aim to reduce abuse of housing resources.

Continue on assessment of older estates and enhance their preventive maintenance, restoration and improvement.



VERIFICATION STATEMENT



BMT Asia Pacific Limited (BMT) provided an independent assurance of the Hong Kong Housing Authority's (HA) web-based Sustainability Report 2007/08 (hereinafter the "Report"). The Report describes the environmental, as well as social and economic performance of HA during the fiscal year of 2007/08.

Objectives

The objectives of this verification were to provide HA's stakeholders with an external assurance of the materiality, completeness and responsiveness of the Report.

This Statement is issued based on:

- Independent third party opinion BMT was not involved in any aspects of Report preparation; and
- The findings of a verification process that involved validating representative selection of data and claims, checking data collation mechanisms and information management systems, assessing the Report's comprehensiveness, and identifying areas to improve HA's reporting process.

Approach

Our assurance approach was developed with reference to the Accountability's Assurance Standard AA1000 AS, 2003. During the verification process, an interview was held on 4th December of 2008 with HA's representative. BMT reviewed the selected claims and reported figures, examined and checked supporting data and documented evidence, as well as data collation systems. Where further investigation was necessary to confirm claims, additional information was requested and reviewed. Where HA presented data and information from a second party, BMT assured that data and information was transcribed accurately or the correct reference was provided.

BMT's Conclusions

On the basis of our review, we provide the following conclusions on the Report in relation to each of the main AA1000 Assurance Standard's principles (Materiality, Completeness and Responsiveness).

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Materiality

· HA has established comprehensive management system for managing risk and

determining significance of the impacts and issues that are material to the business;

- Indicators and targets that are used in strategic and operational decisionmaking are addressed;
- The report includes information that is important and useful to stakeholders;
- We are not aware of any material aspects concerning HA's sustainability performance that have been excluded from the report or misstated; and
- The claims made in the Report are accurate. Specific data used to support claims and compile reported figures were correctly retrieved and appropriately interpreted.

Completeness

- The Report provides a detailed and balanced account of most of its sustainable performances. HA's performance in 2007/08 with respect to its roles and responsibilities in Hong Kong, major aspects related to daily operations and services, key programme areas and relevant projects were addressed;
- For some minor outstanding claims and figures that were deemed questionable or unclear initially during the verification, all were addressed and are corrected in the Report; and
- There are processes in place for understanding and managing stakeholder issues and potential risks to the business.

Responsiveness

- We are pleased that this year the Report addresses comments on last year's report.
- We are not aware of any additional significant issues of stakeholder interest that should be included in the Report.

Carmen Ng

Senior Environmental Consultant

BMT Asia Pacific Limited

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FEEDBACK

Our Performance and 2007/08 Sustainability Report

Information on the Housing Authority (HA)'s sustainability management and performance is provided in our sustainability reports available on the HA website.

Your feedback on our sustainability initiatives and reporting processes will help us continually improve our performance and services. We sincerely hope that you will provide your views and comments on this report or our sustainability initiatives and performance by emailing the Feedback Form (emu@housingauthority.gov.hk), or by post to:

Senior Manager, Environmental Management Environmental Management Unit Hong Kong Housing Authority Headquarters 33 Fat Kwong Street, Ho Man Tin, Kowloon, Hong Kong

Last Year Sustainability Report

occupancy.

We are pleased that the overall comments on last year's report were very positive. All respondents found the report clear and useful, and gave us an overall rating of either "Very Good" or "Good".

Along with the positive comments, we also received constructive suggestions for improvement. We thank you for these valuable comments and have addressed them as appropriate either in our report or daily operations. A selection of the comments received along with our responses are summarised below.

More information on environmental performance preferred regarding the development in environment impact, during construction and also after HA's Response We have incorporated more information in the report to provide a comprehensive picture on HA's environmental performance.

The report should clearly spell out HA's concept of sustainable development.

We need bigger fonts.

We have incorporated our Strategy for Sustainable Construction and explained our sustainability priorities in the report. We have provided more comfortable reading options for readers by introducing on-screen font size setting.

Feedback Form

Thank you for reading our Sustainability Report 2007/08 – Stepping Forward in Sustainable Housing. Please take a moment to give us your valuable feedback and return to us via email or post before 30 September 2009.



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Feedback Form

Thank you for reading our Sustainability Report 2007/08 – Stepping Forward in Sustainable Housing. Please take a moment to give us your valuable feedback and return to us via email or post before 30 September 2009.

 What is your overall view of the Report? Did you find the Report informative/useful? Did you find the Report easy to understand? 				Very	Good	Adec	luate	Poor	Very	
				Very Useful Very Easy	Useful	Adequate		Partly	No	
					Easy	Adeq	uate	Partly	No	
4. Did you think the presentation of the Report is clear?					Clear	Adeq	luate	Partly	No	
Major Aspects*	A	В	С	D	Е	F	G	Н	I	J
5. Which aspect of the Report did you find most useful?										
Please specify										
6. Which aspect of the Report did you find least useful?										
Please specify										
7. Which aspect(s) of the Report would you like more information on?										
Please specify										

Feedback Form 8. What improvement(s) would you recommend for our next Report? Please specify *A. About the Report / Highlights *B. About the Housing Authority *C. Governance Structure and Management *E. Social Performance *D. Environmental Performance *F. Economic Performance *H. Case Studies *I. Targets and Outlook / Previous Targets *G. Stakeholder Engagement *J. Verification Statement 9. What group(s) do you belong to? (you can tick more than one box) Owner/Tenant in HA flat Environmental Group Education/Academic Other Public Organization Professional Engineer/Scientist Government Department Other, please specify 10. Would you like to receive our Sustainability Reports in the future? Yes No Name: _Contact Number:_____ E-mail Address: Mailing Address: Correspondence:

By Post: Senior Manager, Environmental Management

Environmental Management Unit

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