

Press release

LCQ14: Government premises

Wednesday, June 2, 2010

Following is a question by the Hon Abraham Shek and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (June 2):

Question:

Although the Director of Audit pointed out in his Report No. 50 published in March 2008 that some government premises under the management of the Government Property Agency (GPA) had remained unused for a long period of time, it has recently been reported that the situation has not yet improved since then, arousing public query that GPA has not strived to achieve its objectives in respect of the utilisation and commercialisation of government premises, i.e. to ensure that all government accommodation is fully utilised with maximum efficiency and value for money, and to introduce appropriate commercial activities in suitable government accommodation so as to maximise the return to the Government for its capital investment. In this connection, will the Government inform this Council:

(a) among the unused government premises identified in Report No. 50 of the Director of Audit, of the current number of premises which are still left unused at present, as well as their sizes, the duration of being left unused, their monthly market rent at present and accumulative rent receivable; of the premises that have been leased out or converted for other uses; and

(b) of the details and progress of the work undertaken by GPA to alleviate the problem of premises being left unused since the publication of Report No. 50 of the Director of Audit; whether it has formulated any work schedule in this regard; if so, of the details; if not, the reasons for that?

Reply:

President,

Our reply to the question raised by Hon Abraham Shek is as follows:

The three vacant government premises in Buildings A, B and C cited in Report No. 50 of the Director of Audit (the Audit Report) were originally reserved for use by the MTR Corporation Limited (MTRCL) as mass transit railway (MTR) entrance/exit areas (reserved areas). The floor areas of the three reserved areas are about 298 square metres, 185 square metres and 447 square metres respectively, while the buildings where these reserved areas are located were completed in 1979, 1981 and 1994 respectively.

The Public Accounts Committee (PAC) had conducted a public hearing on the findings of the Audit Report about the three vacant government premises. As we explained to the PAC at the public hearing, to change the use of the three reserved areas would involve, among others, various legal and technical issues. In its Report No. 50 (the PAC Report) released in July 2008, the PAC requested the Government to continue to keep it informed of the result of consultation with the Department of Justice and other relevant government departments in respect of putting the relevant vacant government premises to other uses, the progress made by the Government Property Agency (GPA) in rectifying the water seepage problem in the vacant government premises in Buildings A and B, and any other progress made in implementing the various audit recommendations. According to the established procedures, the Government reported the progress in the Government Minute (GM) submitted to LegCo in October 2008, the annual progress report to the PAC in November 2009 and the GM to LegCo in May 2010. We will report the latest progress in the annual progress report to be submitted to the PAC this year.

In sum, since the release of the PAC Report, GPA, Buildings Department (BD) and other departments concerned have been actively following up the recommendations of the Audit Report and the PAC, with a view to identifying solutions to the legal and technical issues involved, and exploring the feasibility of changing the use of the premises and specific options involved.

In July 2009, GPA approached MTRCL to enquire whether the three government premises were still needed to be reserved for use as MTR reserved areas. MTRCL advised the Government in September 2009 that it had no plan to use the reserved area in Building A, and that it would review the need to use the reserved areas in Buildings B and C for railway extensions upon completion of the West Island Line. In March 2010, MTRCL confirmed that upon finalisation of its long-term planning in the Western District, the reserved areas in Buildings B and C would not be required for future railway extensions and could be released to the Government for other uses. In March 2010, GPA obtained BD's consent on the change of use of the three reserved areas to office/shop/advertising. In the light of the aforementioned decisions made by MTRCL and BD, we have since been taking forward the work relating to the change of the use of the reserved areas progressively.

In April 2010, GPA started discussions with the incorporated owners (IO)/building management of Buildings A and B on the feasibility of making their building services facilities available for the reserved areas. Since the consent of the developer and all owners is required for the change of use of the reserved area in Building C, GPA started to pursue the matter with the IO of the building in April this year.

Our next step is to carry out the alteration works at the reserved areas in Buildings A and B so as to convert the premises to the aforementioned permitted use. If discussions go smoothly between GPA and the IO/building management of the two buildings on making the building services facilities available for the reserved areas, it is anticipated that the alteration works can commence in the middle of the year for completion by the end of this year.

Ends