

LCQ10: Quarters provided for civil servants

Following is a question by the Hon Tony Tse and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (May 29):

Question:

In his Reports No. 51 and 62 published in October 2008 and April 2014 respectively, the Director of Audit conducted reviews one after another on the Government's work of managing its quarters provided for eligible civil servants, and he recommended that the relevant government departments should expedite their actions of putting surplus quarters and their sites into gainful use through various means, such as disposal or conversion of uses. There are views that such actions have become increasingly pressing amid the current acute shortage of land and housing supply in Hong Kong. In this connection, will the Government inform this Council:

(1) of the respective (i) numbers and (ii) vacancy rates of the units of the various types of quarters (including non-departmental quarters (NDQs), departmental quarters and operational quarters, excluding surplus quarters) at present;

(2) whether it has adopted any mechanisms and criteria (e.g. period of vacancy) for determining whether certain quarters should be classified as surplus; if so, of the details;

(3) of the current number of government-owned surplus quarters, as well as the following details of such quarters: (i) managing departments, (ii) whether they are located on government sites or in private developments, (iii) since when they were classified as surplus, and (iv) their current and future uses;

(4) of its plans to put surplus quarters and the sites concerned into further gainful use;

(5) of the current usage of the 498 surplus quarters under the management of five government departments (namely, the Water Supplies Department, the Correctional Services Department, the Electrical and Mechanical Services Department, the Food and Environmental Hygiene Department and the Leisure and Cultural Services Department) referred to in Chapter 1 of Report No. 62 of the Director of Audit;

(6) apart from the two sites at Mansfield Road, the Peak and 135 Tai Hang Road which have been included in the Land Sale Programme, whether it has plans to sell other existing or former quarters sites;

(7) whether it has adopted the proposal of selling nine NDQ sites as put forward by the Working Group on Long-Term Fiscal Planning in 2015; if so, of the progress of land sale work; if not, the reasons for that, as well as the usage of these nine sites and the quarters concerned at present; and

(8) of the current number of NDQ units that are owned by the Financial Secretary Incorporated and located in private developments; the number of such type of units sold in the past five years, and whether it has plans to dispose of such units in a progressive manner?

Reply:

President,

Having consulted relevant bureaux/departments including the Civil Service Bureau (CSB), the Development Bureau (DEVB), the Security Bureau (SB) and the Government Property Agency (GPA), the consolidated reply of the Government is as follows:

(1) As at April 30, 2019, the number of quarters units is as follows:

Type of quarters	Number of units
Non-departmental quarters (NDQs)	493
Departmental quarters (including disciplined services quarters (DSQs))	22 891
Post-tied quarters (PTQs)	167
Total	23 551

About 0.1 per cent of the government quarters units to be allocated to eligible officers are temporarily vacant and pending allocation.

(2) to (4) Under the existing mechanism, the CSB or the Quarters Allocation Committee set up under the Civil Service Regulations is responsible for the allocation of NDQs. Individual departments are responsible for the allocation of quarters under their purview (for example, DSQs are allocated by the corresponding disciplined services departments (DSDs)). If the bureau/departments, after considering their operational needs, confirm that the quarters units under their allocation responsibility are no longer required for quarters use, these quarters units would become surplus. The GPA will then assist in identifying alternative users within the Government, or put the properties up for lease or sale in the market. If lands or planning issues are involved in the handling of surplus quarters, the GPA will assist the owner department to consult the Planning Department and the Lands Department (LandsD), etc.

The CSB regularly assesses the demand and supply of NDQs. Any surplus NDQs would be transferred to the GPA for assistance and handling. Normally,

the GPA would put up the quarters units for sale. If the quarters en bloc become surplus, the GPA would transfer the quarters site to the LandsD for alternative development. As an interim arrangement before the disposal of the quarters units or the site, the GPA would consider leasing out the properties at market rent in the open market for better use of public resources. According to the information provided by the GPA, the number of surplus former NDQs units transferred from the CSB to the GPA as at April 30, 2019 was 147. Amongst these 147 units, 33 units were located in private developments while the remaining units were on government sites. The majority of these units were transferred to the GPA in the recent five years. About 80 per cent of the units had been leased out, with the rest being prepared for sale or lease.

According to the information provided by the DSDs, as at April 30, 2019, there were no surplus DSQs units.

According to the information gathered by the GPA from relevant departments, there are 90 surplus departmental quarters and PTQs. These quarters units, all situated on government sites, are either planned for other long term use, open for application for use by non-governmental organisations (NGOs) or being considered for alternative uses since they became surplus in 2013 and 2014.

Starting from February 2019, NGOs that lease surplus government accommodation (including quarters) with the policy support of the relevant bureaux/departments may apply for subsidies from the DEVB to support one-off, basic and essential restoration works required to make such properties fit for other short-term community uses.

(5) According to the information gathered by the GPA from relevant departments, the latest position of the 498 surplus quarters units mentioned in the Director of Audit's Report No. 62 is as follows:

	Number of units
Re-used for quarters purpose or for alternative uses	318
The quarters sites have been included in the Land Sale Programme or sold	90
In search for tenant or being considered for alternative uses	90

(6) According to the information provided by the DEVB, the former NDQs sites at Mansfield Road, the Peak and 135 Tai Hang Road have been included in the 2019-20 Land Sale Programme. If other former NDQs sites are planned to be put up for sale, following the established practice, the Government would include the sites into the annual Land Sale Programme and announce all the sites planned for sale in one go before the commencement of the new financial year.

(7) The Phase Two Report of the Working Group on Long-Term Fiscal Planning in 2015 pointed out that nine NDQs sites were expected to become surplus in the

coming two decades upon the retirement of eligible civil servants who joined the Government before October 1, 1990. The Working Group recommended that the Government should continue with the established policy of disposing of NDQs sites and units by sale as and when they become available, and adopt a pragmatic approach to allow flexibility in the disposal mechanism and to avoid "fire sale". The disposal priority should be guided by the status of the NDQs decanting programme, the potential revenue to be captured, the site utilisation to be enhanced through redevelopment, and the sentiment of the market. As an interim arrangement pending permanent disposal, the existing practice of leasing out surplus NDQs units should continue.

According to the information provided by the DEVB, seven among the nine NDQs sites mentioned in the Report are still being used as NDQs. The DEVB is considering the appropriate options for the handling of the remaining two sites, including disposal by land sale.

(8) According to the information provided by the GPA, as at April 30, 2019, there were 148 NDQs units owned by the Financial Secretary Incorporated and located within private developments. A total of 47 surplus quarters units of this category were sold in the past five years. If CSB confirms that there are other surplus NDQs units, the GPA will follow the mechanism described above in handling the surplus accommodation, including disposal by sale in the market where appropriate and feasible.