

## Head 51 — GOVERNMENT PROPERTY AGENCY

**Controlling officer:** the Government Property Administrator will account for expenditure under this Head.

**Estimate 2001–02**..... **\$2,006.6m**

**Establishment ceiling 2001–02** (notional annual mid-point salary value) representing an estimated 258 non-directorate posts at 31 March 2001 reducing by 14 posts to 244 posts at 31 March 2002..... **\$91.0m**

In addition there will be an estimated seven directorate posts at 31 March 2001 and at 31 March 2002.

### Controlling Officer's Report

#### Programmes

**Programme (1) Acquisition and Allocation**      These programmes contribute to Policy Area 27: Intra-Governmental Services (Secretary for the Treasury).  
**Programme (2) Property Management**  
**Programme (3) Estate Utilisation**

#### Detail

##### Programme (1): Acquisition and Allocation

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	<b>2001–02 (Estimate)</b>
Financial provision (\$m)	1,004.8	1,090.4 (+8.5%)	926.6 (–15.0%)	<b>969.9 (+4.7%)</b>

#### Aim

**2** The aim is to meet Government's accommodation needs in an economical and cost-effective manner.

#### Brief Description

**3** This programme involves:

- co-ordinating and assessing government accommodation needs;
- planning to meet government accommodation needs through construction of new government offices buildings and renting or purchasing at terms most advantageous to Government;
- allocating accommodation to government departments;
- assessing requirements for Government, Institution and Community (GIC) accommodation in private developments;
- planning and monitoring major refurbishment of government buildings;
- setting, assessing and reviewing space and furniture standards in office and specialist buildings;
- vetting schedules of accommodation from government departments and voluntary organisations using government accommodation; and
- negotiating the best overall deal for the Government for acquired and leased accommodation.

**4** The key performance measures in respect of meeting Government's accommodation needs are:

#### Targets

	Target	1999 (Actual)	2000 (Actual)	<b>2001 (Plan)</b>
take-up rate of office accommodation (%)..	99.8	99.8	99.8	<b>99.8</b>
rental level of leased offices (% of market rent).....	95.0	94.6	96.0	<b>95.0</b>
take-up rate of quarters (%).....	99.8	99.7	99.8	<b>99.8</b>
rental level of leased quarters (% of market rent).....	97.0	96.2	97.0	<b>97.0</b>
identify suitable premises to lease within three months of GPA's agreement to provide leased office accommodation (%).....	87.0	85.7	86.4	<b>87.0</b>

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	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
percentage of office space owned by Government .....	76.0	76.5	76.9	75.9
percentage of non-departmental quarters owned by Government.....	100.0	99.9	99.9	100.0
percentage of departmental quarters owned by Government.....	99.0	98.6	98.7	98.8

### Indicators

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
total area of office space† (m <sup>2</sup> ).....	1 192 018	1 216 521	1 221 010
total no. of non-departmental quarters .....	1 183	1 128	1 073
total no. of departmental quarters .....	24 546	23 903	23 615

† Excluding specialist buildings occupied and managed by user departments.

### Matters Requiring Special Attention in 2001–02

5 During 2001–02, the Agency will continue to:

- acquire accommodation by the most economical and cost-effective means;
- encourage economic and efficient utilisation of office accommodation by departments through regular and critical review of operational requirements; and
- achieve more efficient use of space in government offices through refurbishment and replacement of old style furniture by less bulky office furniture.

### Programme (2): Property Management

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	915.7	936.0 (+2.2%)	913.6 (–2.4%)	917.3 (+0.4%)

### Aim

6 The aim is to manage the government properties under the control of the Agency efficiently and cost-effectively; to improve and modernise them to meet changing needs; and to ensure that Government's rights and responsibilities as owner of GIC accommodation in private developments are incorporated in the appropriate legal documents.

### Brief Description

7 This programme involves:

- managing government quarters, offices, other non-domestic accommodation and GIC accommodation in private developments;
- contracting out the management of government properties as far as practicable;
- reviewing maintenance, security and amenity standards; and
- scrutinising and executing Deeds of Mutual Covenant, assignments and related documents in respect of GIC accommodation in private developments.

8 The key performance measures are:

### Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
average management cost of non- domestic accommodation in private developments (\$/m <sup>2</sup> /month).....	45	44.2	44.9	45
average management cost of major joint- user buildings (excluding electricity charges) (\$/m <sup>2</sup> /month).....	10	9.7	10	10
average management cost of quarters in private developments (\$/m <sup>2</sup> /month).....	16.5	16.1	15.7	16.5

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	Target	1999 (Actual)	2000 (Actual)	<b>2001 (Plan)</b>
average management cost of Government wholly-owned quarters (\$/m <sup>2</sup> /month).....	8	7.9	8	<b>8</b>

### *Indicators*

	1999 (Actual)	2000 (Actual)	<b>2001 (Estimate)</b>
management of government estates			
no. of GIC non-domestic properties in private developments managed by the Agency.....	148	158	<b>168</b>
no. of residential flats managed by the Agency .....	21 771	21 871	<b>25 838#</b>
no. of government joint-user buildings managed by the Agency .....	52	50	<b>49</b>
other accommodation managed by the Agency			
no. of sites.....	29	30	<b>32</b>
area (m <sup>2</sup> ).....	1 132 220	983 225	<b>852 777</b>

# Includes departmental quarters managed by the Agency pending disposal.

### *Matters Requiring Special Attention in 2001–02*

9 During 2001–02, the Agency will seek to further improve the efficiency and effectiveness of its property management services by introducing performance-based management agreements and consolidating the current 20 contracts into four for better economies of scale.

### **Programme (3): Estate Utilisation**

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	<b>2001–02 (Estimate)</b>
Financial provision (\$m)	76.0	117.6 (+54.7%)	117.9 (+0.3%)	<b>119.4 (+1.3%)</b>

### *Aim*

10 The aim is to optimise the utilisation of all government sites.

### *Brief Description*

11 This programme involves:

- reviewing the existing and planned use of GIC sites;
- identifying under-developed sites, formulating proposals to optimise their utilisation, including planning and co-ordinating joint-user development or releasing the sites for disposal or other purposes;
- monitoring utilisation of sites being developed by government departments with a view to optimising the site potential;
- identifying and disposing of surplus properties;
- exploiting commercial opportunities within government estates in appropriate cases; and
- updating the GIC site record system to take account of new development areas and reserved planning parameters.

12 The key performance measures are:

### *Targets*

	Target	1999 (Actual)	2000 (Actual)	<b>2001 (Plan)</b>
no. of sites for review# .....	260†	218	258	<b>260</b>
no. of sites to be released for disposal, redevelopment or other purposes .....	20@	29	20	<b>20</b>
no. of government premises identified for commercialisation opportunities.....	48§	37	40	<b>48</b>

# Review includes liaison with relevant departments with a view to formulating strategy on release of developed sites or reserved sites; monitoring the utilisation of sites to be developed by government departments with a view to optimising the site potential.

† The target is an improvement over the 2000 target of 240.

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@ The target is an improvement over the 2000 target of 16.  
 § The target is an improvement over the 2000 target of 37.

### *Indicators*

	1999 (Actual)	2000 (Actual)	<b>2001 (Estimate)</b>
items included in prioritised redevelopment programme .....	8	13	<b>17</b>
non-domestic premises			
no. of lettings.....	299	275	<b>326</b>
rental income (\$m).....	234.3	249	<b>270</b>
domestic premises			
no. of lettings.....	578	580	<b>600</b>
rental income (\$m).....	129.2	177.7	<b>180.0</b>
disposal of surplus premises			
in terms of sites .....	7	2	<b>8</b>
in terms of units .....	354	12	<b>370</b>

### *Matters Requiring Special Attention in 2001–02*

**13** During 2001–02, the Agency will:

- roll forward and carry out the prioritised programme for redeveloping existing under-utilised government sites;
- provide active support to government departments' review of site requirements and co-ordinate action to bring about optimum utilisation of government sites; and
- identify and take forward commercialising opportunities in government buildings.

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### ANALYSIS OF FINANCIAL PROVISION

<b>Programme</b>	1999–2000 (Actual) (\$m)	2000–01 (Approved) (\$m)	2000–01 (Revised) (\$m)	<b>2001–02 (Estimate) (\$m)</b>
(1) Acquisition and Allocation.....	1,004.8	1,090.4	926.6	<b>969.9</b>
(2) Property Management.....	915.7	936.0	913.6	<b>917.3</b>
(3) Estate Utilisation.....	76.0	117.6	117.9	<b>119.4</b>
	<u>1,996.5</u>	<u>2,144.0</u> (+7.4%)	<u>1,958.1</u> (–8.7%)	<u><b>2,006.6</b></u> (+2.5%)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2001–02 is \$43.3 million (4.7%) higher than the revised estimate for 2000–01. This is mainly due to additional leasings for meeting client departments' functional requirements, partly offset by deletion of two posts arising from the completion of projects and savings achieved under the Enhanced Productivity Programme including deletion of one post.

##### Programme (2)

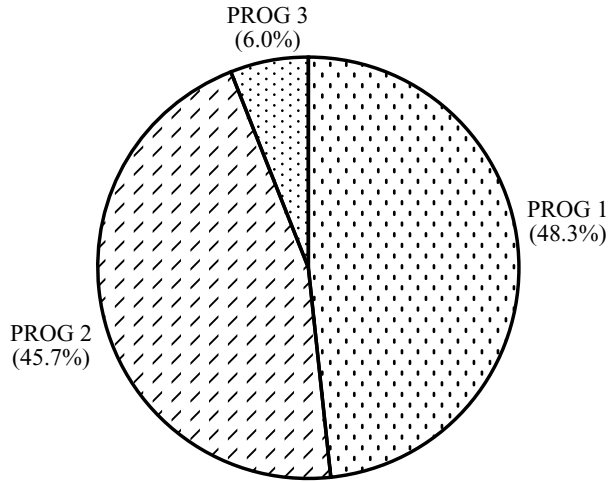
Provision for 2001–02 is \$3.7 million (0.4%) higher than the revised estimate for 2000–01. This is mainly due to increase in plant replacement and additional requirement for the management charges of new departmental quarters, partly offset by deletion of six posts arising from the completion of projects and savings achieved under the Enhanced Productivity Programme including deletion of five posts.

##### Programme (3)

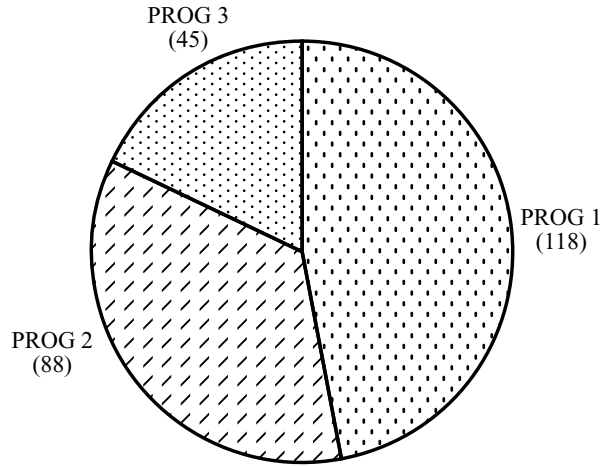
Provision for 2001–02 is \$1.5 million (1.3%) higher than the revised estimate for 2000–01. This is mainly due to an increase in the operating costs for the management of Kai Tak premises arising from increased occupancy both by the Government and commercial sectors.

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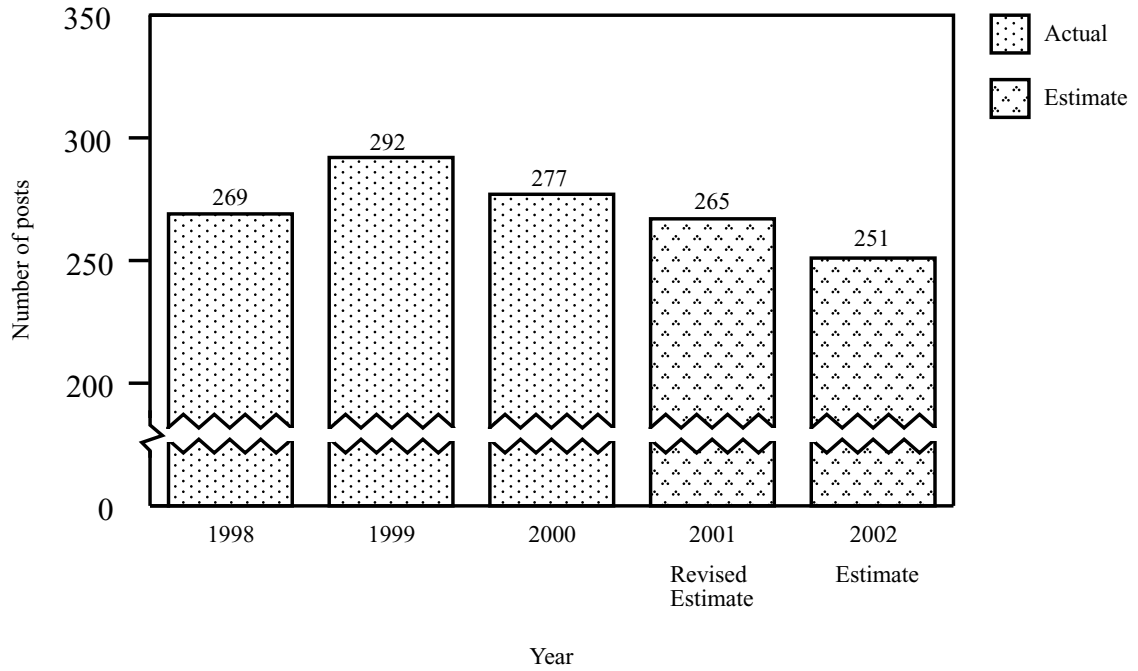
*Allocation of provision to programmes (2001-02)*



*Staff by programme (as at 31 March 2002)*



*Changes in the size of the establishment (as at 31 March)*



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Sub-head (Code)		Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	Estimate 2001–02
		\$ 000	\$ 000	\$ 000	\$'000
<b>Recurrent Account</b>					
I — Personal Emoluments					
001	Salaries.....	108,666	105,879	111,429	<b>104,726</b>
002	Allowances.....	2,920	3,147	1,694	<b>1,736</b>
007	Job-related allowances.....	11	11	11	<b>3</b>
	Total, Personal Emoluments .....	<u>111,597</u>	<u>109,037</u>	<u>113,134</u>	<b><u>106,465</u></b>
II — Personnel Related Expenses					
030	Leasing and management of quarters .....	260,498	263,607	245,388	<b>249,397</b>
	Total, Personnel Related Expenses .....	<u>260,498</u>	<u>263,607</u>	<u>245,388</u>	<b><u>249,397</u></b>
III — Departmental Expenses					
104	Light and power.....	201,223	215,234	215,234	<b>216,466</b>
111	Hire of services and professional fees.....	153,980	184,432	172,787	<b>177,462</b>
119	Specialist supplies and equipment.....	9,363	9,466	9,466	<b>8,936</b>
125	Workshop services .....	172,639	171,458	173,120	<b>176,999</b>
149	General departmental expenses.....	4,222	6,051	6,027	<b>6,009</b>
	Total, Departmental Expenses .....	<u>541,427</u>	<u>586,641</u>	<u>576,634</u>	<b><u>585,872</u></b>
IV — Other Charges					
283	Rents and management charges for properties (other than quarters).....	1,068,146	1,170,968	1,009,180	<b>1,046,392</b>
	Total, Other Charges.....	<u>1,068,146</u>	<u>1,170,968</u>	<u>1,009,180</u>	<b><u>1,046,392</u></b>
	Total, Recurrent Account .....	<u>1,981,668</u>	<u>2,130,253</u>	<u>1,944,336</u>	<b><u>1,988,126</u></b>
<b>Capital Account</b>					
I — Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	14,812	13,769	13,769	<b>18,500</b>
	Total, Plant, Equipment and Works .....	<u>14,812</u>	<u>13,769</u>	<u>13,769</u>	<b><u>18,500</u></b>
	Total, Capital Account.....	<u>14,812</u>	<u>13,769</u>	<u>13,769</u>	<b><u>18,500</u></b>
	Total Expenditure .....	<u><u>1,996,480</u></u>	<u><u>2,144,022</u></u>	<u><u>1,958,105</u></u>	<b><u><u>2,006,626</u></u></b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Government Property Agency is \$2,006,626,000. This represents an increase of \$48,521,000 over the revised estimate for 2000–01 and of \$10,146,000 over actual expenditure in 1999–2000.

#### *Recurrent Account*

##### Personal Emoluments

**2** Provision of \$106,465,000 for personal emolument represents a decrease of \$6,669,000 against the revised estimate for 2000–01.

**3** The establishment at 31 March 2001 will be 265 permanent posts. It is expected that 14 permanent posts will be deleted in 2001–02.

**4** Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$90,981,000.

**5** Provision of \$1,736,000 under *Subhead 002 Allowances* is for standard allowances.

**6** Provision of \$3,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances. It represents a decrease of \$8,000 (72.7%) against the revised estimate for 2000–01. This is mainly due to reduced requirement for shift duty allowance.

##### Personnel Related Expenses

**7** Provision of \$249,397,000 under *Subhead 030 Leasing and management of quarters* is for payment of rent and management charges for government quarters.

##### Departmental Expenses

**8** Provision of \$216,466,000 under *Subhead 104 Light and power* is for electricity charges for all joint-user buildings.

**9** Provision of \$177,462,000 under *Subhead 111 Hire of services and professional fees* is mainly for contract cleaning, security and property management services for buildings managed by the Government.

**10** Provision of \$8,936,000 under *Subhead 119 Specialist supplies and equipment* is for supply and replacement of domestic appliances, including gas appliances, in government quarters according to approved scales and for maintenance of gas appliances. It represents a decrease of \$530,000 (5.6%) against the revised estimate for 2000–01. This is mainly due to reduced requirement for replacement of domestic appliances in government quarters.

**11** Provision of \$176,999,000 under *Subhead 125 Workshop services* is for maintenance of electrical, air-conditioning, refrigeration and mechanical plants and equipment in various government buildings.

##### Other Charges

**12** Provision of \$1,046,392,000 under *Subhead 283 Rents and management charges for properties (other than quarters)* is for payment of rents, management and car-park charges for leased and government owned/jointly-owned properties other than quarters. It represents an increase of \$37,212,000 (3.7%) over the revised estimate for 2000–01. This is mainly due to increased requirement for rental and management charges in 2001–02 arising from additional leaseings.

#### *Capital Account*

##### Plant, Equipment and Works

**13** Provision of \$18,500,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$4,731,000 (34.4%) over the revised estimate for 2000–01. This is mainly due to an increase in the number of plants and equipment due for replacement.