

Legislative Council Panel on Home Affairs

Purchase and fitting-out of office accommodation for the Equal Opportunities Commission

Purpose

This paper informs Members of the plan of the Equal Opportunities Commission (EOC) to acquire and fit out its permanent office premises.

Background

2. As an independent statutory body established under the Sex Discrimination Ordinance (CAP. 480), EOC is tasked to oversee the implementation of Sex Discrimination Ordinance, the Disability Discrimination Ordinance (CAP. 487) and the Family Status Discrimination Ordinance (CAP. 527). Since its establishment in 1996, EOC has been housed in leased premises and additional space has been leased to cope with its increasing workload and activities. At present, the EOC office occupies about 1,533 square metres gross floor area¹ (or 1,150 square metres net floor area) of leased premises on 20/F and 22/F in the Office Tower, Convention Plaza, Wanchai, Hong Kong. The annual expenditure on rental, rates, management and air-conditioning services is \$5.9 million.

Acquisition of Permanent Office Accommodation

3. Operational experience has shown that the Commission is badly in need of additional space to properly perform its statutory duties and functions. Since the commencement of its operation in September 1996, EOC has seen an immense increase in the volume and complexity of work.

¹ Gross floor area refers to all constructed area, including lifts, stairs, lobbies, passages and toilets etc.
Net floor area refers to usable area.

The number of specific enquiries and complaints received in 1997 was 1,568 and 495 respectively. In 2001, the number of specific enquiries and complaints received soared to 5,454 and 1,651, more than three times as those registered in 1997. The number of staff currently stands at 88 compared to 67 at the start of EOC's operation².

4. The resulting staff increase to cope with the increasing workload necessitates makeshift arrangements such as office-sharing and repartitioning as an interim measure. However, such arrangements are made at the expense of a very cramped office environment. Despite the increasing caseload, the number of conciliation rooms has remained the same since its commencement of services in 1996. As the existing office space is underprovided by 125 square metres for staff accommodation according to the government standard and an additional conciliation room is required to cope with the increased caseload, a bigger office is required.

5. In addition, EOC is actively establishing its training and consultancy function to assist the government, public organizations and private companies in the development and application of equal opportunities policies and procedures. Revenues from the training courses shall be used to offset part of its expenditures, thus alleviating the financial burden on government's yearly subvention to the Commission. In order to effectively deliver this service, a new provision of 60 square metres would be required for the training room. The Commission also needs to turn its internal mini-library (41 square metres) into a Resource Centre-cum-library (80 square metres) for use by the public, particularly students, as another important channel to promote and provide education on equal opportunities.

6. Considerations have been given to leasing more space to meet the aforesaid operational needs and new initiatives of the Commission. However, it will be difficult to lease additional space in the same building because there are few vacancies for leasing in the existing premises. The arrangement of scattered offices in different buildings will not only cause inefficiency in floor utilization but is also undesirable from the effective management perspective. Furthermore, leasing is not without its own

² The EOC now has 73 permanent staff (the Chairperson inclusive) and 15 temporary staff.

problems; it entails renewal uncertainties and rental instability. More importantly, office relocation to other leased premises, often associated with lengthy fitting out and reinstatement process, will also disrupt EOC's services and cause undue inconvenience to the public it serves.

7. An owned premises will however provide security of tenure, which will allow EOC to concentrate its resources and efforts in performing its statutory duties and functions. The option of purchase of EOC's own premises can also eliminate lease renewal uncertainties and remove rental instability every time a new lease is taken or an old one renewed. Besides, it saves the cost of office relocation and incidental expenses such as reinstatement and fitting out. Furthermore, it would be economical for EOC to acquire its own office when the current property market is soft and office premises can be purchased at a relatively good price. Statistics from Rating and Valuation Department show that the price index for office premises has dropped by 63% since 1996 when EOC started to operate.

Space requirement

8. The EOC's immediate and medium term space requirement for the acquired premises will include adequate office space for staff, more meeting and conciliation rooms, a proper training area and a Resource Centre-cum-Library. A summary of the total space requirement is at the Annex. The schedule of accommodation is drawn up according to the current and medium term operational requirements, taking into account the barrier free criteria for persons with disabilities (PWDs). Reference has also been made to the civil service standard provided by the Government Property Agency (GPA) in calculating the space requirement.

Location and accessibility

9. Apart from the organized attendance of complainants and respondents for conciliation purpose, many individuals attend the EOC office personally for enquiries and complaints. EOC also hosts regular visits for students, rehabilitation and women concern groups, overseas delegations and other community groups. Hence, the EOC office should be conveniently-located, easily-identifiable and well-served by public transport.

Estimates of costs

10. It is proposed to purchase premises for EOC's office use on the basis of the following criteria -

- (a) the premises should be easily accessible and identifiable, conveniently-located and well-served by public transport and most importantly, barrier-free for PWDs. Where practicable, it should be close to an MTR station which should also be barrier-free for PWDs and particularly for wheelchair users. Parking facilities including designated carparking spaces for PWDs and convenient drop-off areas are also pre-requisites for the selected premises;
- (b) the premises would not need to be on a single floor. Yet, for more efficient floor utilization and better management, it should occupy as few floors as possible; and
- (c) the immediate environment of the premises should be commensurate with the image of EOC.

11. EOC has conducted a preliminary site search for potential premises. The current market unit prices for offices that meet the above criteria in convenient urban areas range from \$60,000 to \$100,000 per net square metre and the ceiling unit price being sought for budget purpose is \$83,240 per net square metre (or \$5,800 per gross square feet, assuming a 75% efficiency ratio³). The purchase price for office premises is estimated to be \$134.2 million. GPA reckons that, under the current market conditions, the payback period (i.e. purchase price/ current annual market rent) for the purchase of a permanent office for EOC will be in the region of 15 to 16 years. This represents an average of \$8.4 million of rental expenditure a year. For reference, the annual rental expenditure for EOC's leased office of the same size would be \$6.1 million at the existing rental rate. However, rent would likely increase in the long run as evidenced by past track records. Should the rental rate revert to the level in 1998-99, the annual rental expenditure would be \$12.9 million. Apart from long term savings in rental expenditure, Government would also

³ Efficiency ratio is the ratio of net floor area to gross floor area. An office with gross floor area of 10,000 sq. ft will usually produce about 7,500 sq. ft net floor area.

acquire an asset. The GPA will be further consulted for the purpose of identifying suitable office premises for consideration before a selection is made.

12. With reference to quotations and market information given to the EOC by contractors, the Architectural Services Department considers that \$6,300 per net square metre is a reasonable cost estimate for fitting-out of the acquired premises in accordance with the government fitting-out standard. The total fitting-out cost is estimated to be about \$10.2 million.

Financial implications

13. The total estimated cost for the whole project is about \$151.8 million in money-of-the-day prices, made up as follows -

| | \$ million |
|---|--------------|
| (a) Purchasing approximately 1612 square metres of accommodation (@\$83,240 per net square metre) | 134.2 |
| (b) Stamp duty, legal fees for sale & acquisition agreement, assignment | 5.4 |
| (c) Design and fitting-out (@\$6,300 per net square metre) | 10.2 |
| (d) Furniture and equipment | <u>2.0</u> |
| Total | <u>151.8</u> |

14. The unit rate for the provision of management and air-conditioning services for the acquired permanent office is estimated to be about \$75 per gross square metre per month, which is comparable to that currently paid by EOC for the leased office. The future annual recurrent expenditure is estimated to be around \$1.9 million, comprising costs for air-conditioning, management and cleaning services.

15. The Sex Discrimination Ordinance gives the Commission the authority to acquire and hold property necessary for the accommodation of the Commission or of any committee under the Commission or for the performance of any of the Commission's functions. Nevertheless, the Commission undertakes that it will not sell, lease, assign, mortgage, charge or dispose of any part of the property to any other person without the prior written approval of Government. The ownership/title deed of the property

would revert to Government in the event that the Commission ceases to occupy the acquired premises.

Way Forward

16. As the current lease of EOC office at the Convention Plaza will expire in December 2002, in order to allow time to search, acquire and refurbish the new office, we plan to seek approval from the Public Works Subcommittee and the Finance Committee in April 2002.

Home Affairs Bureau
February 2002

**Space Requirements of the Equal Opportunities Commission (EOC) Office
(Net Usable Area)**

| | Existing Leased Accommodation | Immediate and Medium-term Requirement | |
|---|--|--|--------------|
| | m² | m² | Notes |
| (A) Staff | | | |
| Existing staff * | 596.6 | 721.9 | (1) |
| Total area for staff | 596.6 | 721.9 | |
| (B) Ancillary Area | | | |
| Reception and waiting area | 43.7 | 45 | (2) |
| Conference room | 61.3 | 80 | (3) |
| Simultaneous interpretation booth for conference room | 17.6 | 17.6 | |
| Training room | - | 60 | (4) |
| Conciliation/meeting/interview rooms | 84.6 | 91.5 | (5) |
| Room for outside counsel/barristers/consultants or secondee from overseas institutions | - | 20 | (6) |
| Resource centre cum library | 41.0 | 80 | (7) |
| Filing rooms for confidential case records and legal documents | 30.0 | 50 | (8) |
| Storeroom for publications and general store | 30.0 | 60 | (9) |
| Pantry | 19.9 | 19.9 | (10) |
| Computer server/telephone room | 16.0 | 24 | (11) |
| Machine room for publications | - | 10 | (12) |
| Areas for shared-use furniture and equipment | 23.0 | 23 | |
| Electricity meter room | 5.0 | 5 | |
| General and personnel registry | 48.0 | 48 | |
| Total ancillary area | 420.1 | 634 | |
| (C) Circulation Space | 133.3 | 179.5 | (13) |
| Total staff, ancillary areas and circulation space (A)+(B)+(C) | 1 150.0 | 1535.4 | |
| Add : 5% for expansion | - | 76.8 | (14) |
| Total net floor area | 1 150.0 | 1612.2 | |

*Remarks: * Including space for 88 staff, two interns on placement scheme since 1997 and a secondee from EOC Victoria, Australia since 2000.*

Explanatory Notes to Space Requirements of the Equal Opportunities Commission (EOC) Office

1. Space for staff is currently underprovided by 125.3 m² according to civil service standard.
2. EOC's reception counter is open to all members of the public for enquiries and complaints and collection of publicity materials. The reception area should include a waiting area for visitors to be further received by the appropriate personnel. In case the purchased office premises would involve more than one location (may be on two floors; similar to the current office), the required reception and waiting area should be more or less the same as the existing provision.
3. The conference room is for committee meetings, press conference and official functions. The existing 61.3 m² conference room is too small for EOC meetings and press conferences. The requested 80 m² is in accordance with the space standard of conference room for District Council Secretariat, which is 2.5 m² per person for conference room catering for 40 persons or below.
4. A proper training room is required to provide training for fee-paying clients and deliver talks to mainstream equal opportunities in the community. The proposed training room can provide for 60 persons in lecture setting and 40 persons in classroom setting.
5. The existing six conciliation/meeting/interview rooms are insufficient to handle the increasing number of complaints and other associated activities. Besides, some rooms are used to accommodate staff or secondees or outside counsel on a temporary basis due to underprovision for staff accommodation over the years. An additional conciliation/meeting/interview room is required.
6. An additional room is required for outside counsel, barristers, equal opportunities consultants or secondees from overseas institutions who will visit the Commission, varying from a week to ten months depending on the nature of their work and the project schedule. These guest visitors are normally of directorate level equivalent to the rank of a Legal Adviser. At present, these guest visitors are accommodated in conciliation/meeting/interview rooms. This left fewer rooms for complaints handling and affect EOC's operation adversely.

7. EOC's existing mini-library is for internal staff use only. It will however be expanded to a Resource Centre-cum-library to provide a comprehensive and updated range of materials on equal opportunities for the general public, particularly students. The Centre will provide an area for research and reading, viewing of audio-visual materials, and computers for surfing the internet and book search.
8. Additional space is required for storage of increasing complaint records. The annual growth rate of complaints received was about 15 % from 1997 to 2000 and the total volume of records (e.g. complaints, enquiries, correspondence and documentary evidence obtained in the process of conciliation and investigation, court case bundles, etc.) has grown by more than 5 times when compared to 1997. It is anticipated that more storage space will be required to accommodate the increasing volume of files. The proposed space is mainly for active files. Where necessary, outside storage will be sought for inactive closed files.
9. To continue the work of public education, more publications in various formats will be produced by the EOC in the coming years, including Codes of Practice, training modules for different sectors, information and assessment kits for specified target groups and reports on new researches. The existing storeroom has already been fully occupied and some of the stocks have been overflowed to other communal areas. A larger storeroom is thus required for publicity materials over the years and limited central stocks for internal office use including stationeries, equipment, spare parts of equipment for repair and maintenance purposes.
10. In case that the purchased office premises would involve more than one location (may be on two floors, similar to the current office), two pantries, as the existing provision, would be required.
11. An adequate computer server/telephone room is required to accommodate the existing and new computer servers, corresponding backup systems and other computer hardware including the following -
 - LAN server and the connected hubs
 - Telephone system (PABX) and the voice mail system,
 - Various servers for the Complaint Handling System, the Accounting System, the Human Resources and Payroll System, the Interactive Voice Response System, the Access Control System, the Email System and the Software Asset Management System, etc.
 - Other computer peripherals, e.g. network printer, routers, scanner, modems

12. At present, all printing jobs are out-sourced. The requested machine room is a new function room for in-house printing of low-volume publications like programme booklets, information leaflets, invitation cards and posters etc. For low-volume and simple printing jobs, in-house printing is more time-efficient and cost-effective than out-sourcing. The equipment will include photocopiers, binding machines, laminator and working bench for ease of collation and preparation for distribution and bulk mailing.
13. 15 % circulation space is needed to provide a barrier free office environment for visitors and staff. Some of them are persons with a disability (e.g. wheelchair users, crutches users, persons with visual impairment). This is in line with the “Design Manual – Barrier Free Access (1997)” issued by the Buildings Department in which the recommended width of a corridor is 1.5m to allow two wheelchairs to pass.
14. A 5% allowance for future expansion is included in the overall space requirement to enable EOC to cope with its operational requirements in the medium term, i.e. the next five to seven years.

- End -