

Public Hearing of the Public Accounts Committee of the Legislative Council
Held on 15 December 2015
Director of Audit's Report No. 65
Chapter 3 – Use and Disposal of Vacant School Premises

Speaking Notes for the Secretary for Education

- First of all, I would like to thank the Audit Commission for its observations on the use and disposal of vacant school premises (VSP) and its recommendations for improvement. The Education Bureau (EDB) and relevant departments generally agree with the recommendations put forward in the Audit Report and will take follow-up actions accordingly.

Prevailing Mechanism

- Land is a precious resource in Hong Kong. Over the years, the Government has enhanced the mechanism for handling VSP on government land or private land granted to school sponsoring bodies by the Government. The prevailing mechanism was established and introduced upon discussion by the then Steering Committee on Housing Land Supply in October 2011. At present, when vacant/to-be-vacated school premises are identified, EDB will assess the need to reallocate such premises for school or other educational uses based on their size, location and physical conditions. Under the prevailing mechanism, having regard to the fact that VSP are purpose-built buildings for school operation, we will generally accord higher priority to put VSP to school use (e.g. primary schools, secondary schools, special schools and international schools) before considering other educational uses. Should EDB wish to deploy the VSP for other educational uses, we will need to put forward an application to the Planning Department (PlanD), similar to what other bureaux/departments are required to do.
- If EDB considers certain VSP not suitable for educational uses or does not envisage the need to reallocate the VSP for educational uses, we will “return” them and inform PlanD in accordance with the prevailing mechanism. PlanD will consider whether the sites concerned are suitable for residential development or other uses, with a view to meeting the various needs of Hong Kong.

Identifying VSP (Part 2 of the Audit Report)

- The existing database of VSP kept by EDB mainly contains information on VSP available to the relevant section since it was specifically assigned to handle VSP in July 2005, as well as information subsequently provided by the Regional Education Offices. As at 30 April 2015, the database contained information of 234 VSP. In response to the Audit's recommendations, EDB is reviewing the existing database of VSP with a view to making it as comprehensive and systematic as possible for better monitoring of the use and disposal of VSP. We will also draw up an internal manual to set out the requirements and guidelines on the identification, screening, allocation and management of VSP for all relevant EDB sections to follow.
- EDB will share information on VSP with PlanD and Lands Department (LandsD). We will also review the database of VSP against the particulars of de-registered schools and approach LandsD for checking of land leases in order to review as far as practicable whether any VSP have been “left out” and take follow-up actions accordingly under the

prevailing mechanism.

Allocating VSP for Educational or Other Uses (Part 3 of the Audit Report)

School premises not being used

- According to the Audit Report, of the 29 VSP under EDB's purview that were not being used, eight had not been earmarked for any use. Let me give the Committee a brief update here. First of all, EDB has already "returned" four of the eight VSP in accordance with the prevailing mechanism and both LandsD and PlanD have been notified accordingly. As for the remaining four VSP which are all on private land, we will liaise with LandsD on the possible ways of handling the VSP.
- Regarding the 12 VSP not yet put to their allocated uses, the latest development is that arrangements are being made for eight of them to be put to use, including the uses as time-limited primary school, primary school for whole-day conversion, primary school extension, secondary school extension and office.
- For the nine VSP earmarked for educational uses, we will continue to regularly review the need to retain them and the timeline of use. Where the VSP concerned are suitable for short-term use, we will follow the existing practice with EDB sections' reviewing the possible short-term use internally on a regular basis. We will also inform the relevant bureaux and departments, inviting them (including organisations under their purview) to consider short-term use of the VSP.
- EDB has also expedited the school allocation exercises. Over the past three years, eight VSP have been reallocated for school use and six of them are already in operation.

Handling cases of VSP not surrendered (Part 4 of the Audit Report)

- In addition, it is pointed out in the Audit Report that the physical possession of 71 VSP was not delivered to the Government after cessation of school operation, with 32 VSP not yet "returned" by EDB under the central clearing house mechanism which are situated on private land, and that nine of these VSP were not put to use as at 30 April 2015. EDB has already "returned" four of them in accordance with the prevailing mechanism and informed LandsD and PlanD accordingly. We will liaise with LandsD on the possible ways of handling the remaining five VSP.
- We agree that there is room for improvement in the handling of VSP, particularly those on private land. EDB will enhance its communication with LandsD and other relevant departments to follow up the respective cases with joint efforts. For VSP that EDB considers necessary to reallocate for educational uses, we will discuss with the relevant departments (e.g. LandsD) and consider recovering possession of the land as far as practicable in accordance with the provisions of the relevant contracts (including land leases, tenancy agreements or service agreements). We will keep improving our mechanism and measures to keep up with the latest developments in the society. However, I would like to point out that the Government must act in accordance with the contracts concerned and that recovering possession of land by exercising the right conferred by the contract may not be the only way to make good use of the land.

Property Management of VSP (Part 5 of the Audit Report)

- Finally, on property management of VSP, since property management services are not a common type of services used by EDB, our supplier lists do not cover providers of property management services. We are conducting more extensive research to identify other providers of property management services so as to compile a more comprehensive list of property management service providers for managing VSP.
- We will monitor the contractors' performance more closely. To this end, we are reviewing the inspection mechanism and will improve the reporting system to require the two existing contractors to prepare more comprehensive monthly reports on their work done. We will also properly evaluate the performance of the contractors upon completion of contract.

Summing up

- EDB, together with other relevant departments, will carefully consider and actively follow up with the Audit's recommendations on improving the use and disposal of VSP. We will elaborate further when responding to questions raised by the Public Accounts Committee of this Council in a while. Thank you, Chairman.