

立法會 *Legislative Council*

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Panel on Home Affairs

Background brief prepared by Legislative Council Secretariat for the meeting on 13 February 2009

Centre for Youth Development

Purpose

This paper summarizes the views expressed by Members on the Centre for Youth Development (CYD) project at meetings of the Public Works Subcommittee (PWSC) and the Finance Committee (FC), and recapitulates the voting results.

Background

2. At the meeting of the Panel on Home Affairs (HA Panel) on 9 January 2009, the Administration briefed members on the latest development of CYD. Members raised concern about the commercialization of the usage of CYD, its mode of management and operation, the undue delay in the implementation of the project, and the Administration's commitment in fulfilling the original objectives of the project. Members requested the Administration to revert to the Panel on these issues at the next meeting scheduled for 13 February 2009. Pointing out that some members had expressed objection to the construction of CYD and voted against the project when the proposal was considered at the meetings of PWSC and FC, Hon Emily LAU requested the Secretariat to summarize the deliberations and retrieve the voting records for members' reference.

Deliberations and voting results on CYD at meetings of PWSC and FC

Funding proposal for pre-contract preparatory works of the CYD project

3. The Administration submitted a proposal for carrying out the pre-contract preparatory works for the CYD project to PWSC on 14 April 1999.

As a number of issues relating to the objectives and the operational arrangements of the project required clarification and further discussion, members considered that the Administration should first brief the HA Panel on the project before re-submitting the proposal to PWSC for further consideration.

4. The Administration consulted the Panel on 27 May 1999 and re-submitted its funding proposal to PWSC on 16 June 1999. The estimated capital cost of the CYD was \$856.3 million (at December 1998 price levels), and the estimated pre-contract consultants' fees were \$52 million in money-of-the day (MOD) prices. Some PWSC members pointed out that the two items together would cost about \$900 million which, if used to strengthen existing youth services, might better meet the needs of young people and accomplish more in solving youth problems, such as the problem of juvenile gang. These members also queried whether it was cost-effective to build a costly youth centre given that some existing community venues were under-utilised and some children and youth centres were proposed to be closed to save resources. Some members were worried that the CYD would not fulfill the objectives as envisaged, thus resulting in a waste of public money. They also expressed doubt as to whether the CYD could achieve financial sustainability if the income level generated from the commercial portions of the project turned out to be lower than expected, such as in the scenario of a low occupancy rate of the youth hostel. The item was put to vote. Eleven members voted for it, six voted against and one abstained. The funding proposal was endorsed by PWSC.

5. When FC considered the funding proposal on 2 July 1999, some members queried the cost-effectiveness of the project while members belonging to the Democratic Party (DP) reiterated their objection to the funding proposal. The proposal was put to vote. Twenty-eight members voted for it, 16 voted against and none abstained. The proposal was approved by FC.

Funding proposal for the construction of CYD

6. The Administration submitted a funding proposal for the construction of CYD, at an estimated capital cost of \$750.9 million in MOD prices, to PWSC on 17 October 2001. As \$200 million would be funded by the Board of Management of the Chinese Permanent Cemeteries, the Administration proposed to upgrade the whole CYD project to Category A at an estimated cost of \$550.9 million in MOD prices for the construction of the project in Chai Wan. According to a preliminary financial viability study commissioned by the Administration and conducted in 2000-2001, the CYD should be able to remain financially viable during the initial 10 years of operation. The Administration also planned to set up a limited company, with its board of directors appointed by the Government, to assume responsibility for the management and operation of the CYD.

7. When PWSC and FC considered the funding proposal at their meetings on 17 October and 9 November 2001 respectively, members of DP expressed opposition to the project because they had great reservations about the high cost and the proposed location of the CYD. They also expressed dissatisfaction at the lack of information on its future management and the absence of any tendering procedure for provision of services under the proposed arrangements for the CYD. The funding proposal was voted on and endorsed by PWSC. It was approved by FC with 29 members voted for it, 13 members voted against and two abstained.

Change in the mode of operation for CYD

8. Acknowledging that it would no longer be financially viable for CYD to be operated on a self-financing basis as envisaged when the capital funding for its construction was sought in November 2001, the Administration proposed changes to the mode of operation of CYD to FC on 18 March 2005, taking into account the views of the HA Panel and youth organizations. Under the new proposal, the Administration would directly take up the responsibility for managing and operating CYD, rather than through a limited company on a self-financing basis. Efforts would be made to achieve full cost recovery, but in the event of an operating deficit, this would be covered through internal redeployment of resources within the envelope of the Secretary for Home Affairs or public donations.

9. Some members considered that FC had no choice but to approve the proposal since the site formation works had been completed and additional maintenance would be incurred if the construction works were further delayed. Considering that CYD would provide a focal point for youth development activities, some members expressed support for the proposal but urged the Administration to proceed with the project without delay and to review the uses of CYD facilities taking into account the needs of youth development. Some members expressed concern about the high charges for renting the CYD facilities and the income and expenditure of CYD under the revised mode of operation, while some reiterated their opposition to the project for reasons that Chai Wan was not a good location for the project and there was no shortage of similar multi-purpose facilities for youths in Hong Kong. The proposal was approved by FC, with 35 members voted for and 13 members voted against it.

10. The voting results for the above meetings, where available, are in **Appendix I**.

Latest developments

11. Issues relating to CYD will be further discussed at the Panel meeting scheduled for 13 February 2009. A visit to CYD has also been arranged for members on 7 February 2009.

Relevant papers

12. A list of relevant papers with their hyperlinks at the LegCo website is in **Appendix II**.

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**Voting results on proposals relating to
the Centre for Youth Development**

Public Works Subcommittee meeting on 16 June 1999		
Presiding Chairman : Mr HO Sai-chu		
For	Against	Abstention
Mr James TIEN Mr Edward HO Sing-tin Mr Eric LI Ka-cheung Mr Ambrose CHEUNG Miss CHAN Yuen-han Mr Gary CHENG Mr WONG Yung-kan Mr LAU Kong-wah Mrs Miriam LAU Mr TAM Yiu-chung Dr TANG Siu-tong (11 members)	Mr Albert HO Mr LEE Wing-tat Mr Fred LI Mr CHEUNG Man-kwong Mr SIN Chung-kai Mr Andrew CHENG (6 members)	Miss Emily LAU (1 member)
Finance Committee meeting on 2 July 1999		
Presiding Chairman : Mr CHAN Kam-lam		
For	Against	Abstention
Mr Kenneth TING Mr David CHU Mr HO Sai-chu Mr Edward HO Dr Raymond HO Mr Eric LI Mr LEE Kai-ming Dr LUI Ming-wah Mr NG Leung-sing Mr MA Fung-kwok Mr Ambrose CHEUNG Mr HUI Cheung-ching Mr CHAN Kwok-keung Mr CHAN Wing-chan Dr LEONG Che-hung Mrs Sophie LEUNG Mr Gary CHENG Dr Philip WONG	Miss Cyd HO Mr Albert HO Mr Michael HO Mr LEE Wing-tat Mr Martin LEE Mr Fred LI Mr James TO Mr CHEUNG Man-kwong Mr LEUNG Yiu-chung Mr SIN Chung-kai Dr YEUNG Sum Mr LAU Chin-shek Miss Emily LAU Mr Andrew CHENG Mr SZETO Wah Mr LAW Chi-kwong (16 members)	-----

<p>Mr WONG Yung-kan Mr Jasper TSANG Mr Howard YOUNG Mr YEUNG Yiu-chung Mr LAU Kong-wah Mrs Miriam LAU Mr Ambrose LAU Miss CHOY So-yuk Mr TAM Yiu-chung Dr TANG Siu-tong (28 members)</p>		
<p>Finance Committee meeting on 9 November 2001 Presiding Chairman : Dr Philip WONG Yu-hong</p>		
For	Against	Abstention
<p>Mr Kenneth TING Dr David CHU Yu-lin Dr Raymond HO Dr LUI Ming-wah Mr NG Leung-sing Mrs Selina CHOW Mr HUI Cheung-ching Mr CHAN Kwok-keung Miss CHAN Yuen-han Mr CHAN Kam-lam Mrs Sophie LEUNG Mr Andrew WONG Mr Jasper TSANG Mr Howard YOUNG Mr YEUNG Yiu-chung Mr LAU Kong-wah Mr LAU Wong-fat Mrs Miriam LAU Mr Ambrose LAU Miss CHOY So-yuk Dr TANG Siu-tong Mr Abraham SHEK Mr Henry WU Mr Tommy CHEUNG Mr LEUNG Fu-wah Mr Frederick FUNG Mr IP Kwok-him Mr LAU Ping-cheung Mr MA Fung kwok (29 members)</p>	<p>Mr LEE Cheuk-yan Dr David LI Mr Fred LI Miss Margaret NG Mr James TO Mr CHEUNG Man-kwong Mr LEUNG Yiu-chung Mr SIN Chung-kai Dr YEUNG Sum Mr SZETO Wah Mr LAW Chi-kwong Mr Michael MAK Mr Albert CHAN (13 members)</p>	<p>Mr Eric LI Ms Audrey EU (2 members)</p>

Finance Committee meeting on 18 March 2005		
Presiding Chairman : Ms Emily LAU		
For	Against	Abstention
Mr James TIEN Ir Dr Raymond HO Dr LUI Ming-wah Mrs Selina CHOW Miss CHAN Yuen-han Mr Bernard CHAN Mr CHAN Kam-lam Mrs Sophie LEUNG Dr Philip WONG Mr WONG Yung-kan Mr Jasper TSANG Mr Howard YOUNG Mr LAU Kong-wah Ms Miriam LAU Miss CHOY So-yuk Mr Timothy FOK Mr TAM Yiu-chung Mr Abraham SHEK Ms LI Fung-ying Mr Tommy CHEUNG Mr Frederick FUNG Ms Audrey EU Mr Vincent FANG Mr WONG Kwok-hing Dr Joseph LEE Mr LI Kwok-ying Mr Jeffrey LAM Mr MA Lik Mr Alan LEONG Dr Fernando CHEUNG Mr CHEUNG Hok-ming Mr WONG Ting-kwong Mr Ronny TONG Mr Patrick LAU Mr KWONG Chi-kin (35 members)	Mr Albert HO Mr Martin LEE Mr Fred LI Mr CHEUNG Man-kwong Mr LEUNG Yiu-chung Mr SIN Chung-ka Dr YEUNG Sum Mr Andrew CHENG Mr Albert CHAN Mr LEE Wing-tat Dr KWOK Ka-ki Mr Albert CHENG Miss TAM Heung-man (13 members)	---

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Relevant documents on Centre for Youth Development Project

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
14.4.1999	Public Works Subcommittee (PWSC)	Funding proposal on "Head 703 - Buildings - 173SC Centre for Youth Development"	PWSC(1999-2000)5 http://www.legco.gov.hk/yr98-99/english/fc/pwsc/papers/pw140405.pdf
		Minutes of meeting	PWSC110/98-99 http://www.legco.gov.hk/yr98-99/english/fc/pwsc/minutes/pw140499.htm
16.6.1999	PWSC	Funding proposal on "Head 703 - Buildings - 173SC Centre for Youth Development"	PWSC(1999-2000)56 http://www.legco.gov.hk/yr98-99/english/fc/pwsc/papers/pw160656.pdf
		Minutes of meeting	PWSC160/98-99 http://www.legco.gov.hk/yr98-99/english/fc/pwsc/minutes/pw160699.htm
2.7.1999	Finance Committee (FC)	Minutes of meeting	FC11/99-00 http://www.legco.gov.hk/yr98-99/english/fc/fc/minutes/fcmn0207.htm
17.10.2001	PWSC	Supplementary information on 173SC – Centre for Youth Development	PWSC(2001-2002)35 http://www.legco.gov.hk/yr01-02/english/fc/pwsc/papers/pi01-35e.pdf
		Funding proposal on "Head 703 - Buildings - 173SC Centre for Youth Development"	PWSC(2001-2002)61 http://www.legco.gov.hk/yr01-02/english/fc/pwsc/papers/p01-61e.pdf

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
		Minutes of meeting	PWSC20/01-02 http://www.legco.gov.hk/yr01-02/english/fc/pwsc/minutes/pw011017.pdf
9.11.2001	FC	Minutes of meeting	FC17/01-02 http://www.legco.gov.hk/yr01-02/english/fc/fc/minutes/fc011109.pdf
25.2.2005 (special briefing)	FC	Administration's Progress Report on the Centre for Youth Development Project	FCRI(2004-05)22 http://www.legco.gov.hk/yr04-05/english/fc/fc/papers/fi04-22e.pdf
		Supplementary information on 173SC – Centre for Youth Development	FC41/04-05 http://www.legco.gov.hk/yr04-05/english/fc/fc/papers/fc41e.pdf
18.3.2005		Proposal on "Head 703 - Buildings - 173SC Centre for Youth Development"	FCR(2004-05)50 http://www.legco.gov.hk/yr04-05/english/fc/fc/papers/f04-50e.pdf
		Minutes of meeting	FC106/04-05 http://www.legco.gov.hk/yr04-05/english/fc/fc/minutes/fc050318.pdf

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