

The Legislative Council Meeting commencing on 13 July 2011

Motion on the “Public Accounts Committee’s Report on ‘Hong Kong 2009 East Asian Games’ ”

Progress Report

Purpose

At the Legislative Council meeting on 14 July 2011, the motion moved by Dr Hon Philip WONG Yu-hong on the “Public Accounts Committee’s Report on ‘Hong Kong 2009 East Asian Games’ ” was carried. The wording of the motion was -

“That this Council notes Chapter 1 of the Public Accounts Committee Report No. 56 on ‘Hong Kong 2009 East Asian Games’.”

2. This report briefs Members on follow-up action by the Administration.

Background

3. The 2009 East Asian Games (EAG) was the first major international multi-sport event ever held in Hong Kong. The organisation of the event provided invaluable experience to the Administration, the local sports sector and other stakeholders. In general, the Administration has accepted the recommendations in the reports on the 2009 EAG by the Audit Commission (Audit) and by the Public Accounts Committee (PAC) of the Legislative Council (LegCo), and has noted views expressed by LegCo Members during the motion debate. The Administration will advise the organisers of future major international multi-sport events in Hong Kong of the recommendations made by Audit and the PAC.

Post-implementation review (PIR)

4. In the motion debate, LegCo Members commented on the need for a comprehensive PIR for large-scale sports events such as the EAG. In future, the Administration will work with the organisers of such events to plan and conduct a PIR, including a financial review, to identify good practices and lessons learnt.

5. For the 2009 EAG, the Home Affairs Bureau (HAB) will compile a report on the EAG, making reference to comments and recommendations made by Audit as well as the PAC. The Secretary for Home Affairs (SHA) will table this report before the Sports Commission soon and then submit it to the PAC.

Operating cost and revenue

6. It has all along been the Administration's practice that when seeking the Finance Committee (FC)'s acceptance-in-principle and funding approval for implementing a major event, the full financial implications of the proposal should be set out in FC's submission. In planning and organising major international multi-sport events similar to the 2009 EAG in future, the Administration will endeavour to provide FC with an estimate that is as comprehensive and accurate as possible at the time of submission. The Administration will also endeavour to include all expenditure that can be foreseen at the time when the budget is prepared, and present the best possible estimates of the cost of temporary improvement works separately in related FC papers. In case there are significant changes to the estimates of a major event after FC's funding approval has been obtained, bureaux would inform LegCo of such changes where necessary. In a circular memorandum issued to all bureaux/departments in September 2011, the Financial Services and the Treasury Bureau (FSTB) took the opportunity to remind them of the above requirements.

Legacy project and use of public funds

7. In organising international multi-sport events similar to the 2009 EAG in future, the Administration will consider implementing legacy projects as part of the event, and include relevant information as far as possible when seeking funding approval from the FC and entering into administrative agreements with the event organiser. The Administration will dispose of surplus, if any, of such an event funded by government subsidy and/or commercial sponsorship in compliance with the terms of the funding allocation and the sponsorship.

8. In a circular memorandum issued to all bureaux/departments in September 2011, the FSTB stated clearly that when seeking FC's approval for hosting a major event, the estimated cost of implementing a legacy project, if any, should be included as part of the financial implications of the event. In case there are sources of income other than government funding approved by FC (e.g. community/commercial sponsorship), bureaux are reminded to dispose of the surplus of the event, if any, in compliance with the terms of the FC's approval and the sponsorship and, where appropriate, consult LegCo and the relevant sponsors regarding the disposal of the surplus.

Administrative arrangements

9. In drawing up future administrative agreements with organisers of international multi-sport events similar to the 2009 EAG, HAB will include suitable provisions in the agreements to cater for different scenarios and eventualities, including the realisation of surplus. HAB will also endeavour to include a realistic

timeframe for the conclusion of the events with the organisers..

10. As regards the 2009 EAG, HAB and the Leisure and Cultural Services Department (LCSD) are closely monitoring the progress of the liquidation of the EAG Company. In August 2011, the Liquidator paid profits tax from the company's liquidation account and refunded the remaining balance of \$10,199,421.10 to the Government. On 19 August 2011, the Liquidator issued a Gazette notice for convening the Final Meeting of Members on 20 September 2011. On 23 September 2011, the Liquidator prepared the Final Report and Statement of Accounts of the EAG Company and filed them with the Companies Registry (CR). The EAG Company will be dissolved three months after the filing of the relevant returns with the CR.

Admission ticketing arrangements

11. HAB and LCSD will draw on the experience of the 2009 EAG with a view to improving ticketing arrangements when staging similar events in future.

Conversion of squash courts into office accommodation

12. LCSD has reviewed the long-term use of the former EAG Office at the Hong Kong Squash Centre. After considering technical, cost and usage factors, LCSD has decided to reconvert the office back into squash courts, which will be available for multi-purpose use to meet public demand for facilities for sport such as squash, dancing and table tennis. LCSD has consulted the relevant "national sports association" and the Central and Western District Council, who support this proposal.

Promoting sport in Hong Kong

13. Hosting the EAG helped raise the community's interest in sport. SHA, the Director of Leisure and Cultural Services and other relevant stakeholders will take into account the experience gained from hosting the 2009 EAG when drawing up and implementing further initiatives to promote the development of sport in Hong Kong.

Home Affairs Bureau
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