

For meeting on
8 July 2011

Legislative Council Panel on Home Affairs

Private Recreational Leases

Introduction

This paper briefs Members on the historical background and role of Private Recreational Leases (PRLs), as well as the way for processing renewal of PRLs, having regard to Members' views on PRLs and private sports clubs with land granted under PRLs at the Panel meeting held on 13 May 2011.

Background

2. In the past, owing to the limited provision of recreational and sports facilities in Hong Kong, people interested in the promotion of sports development and provision of recreational and sports facilities established sports clubs and applied to the Government for grant of land to develop such facilities. Some of these private sports clubs have a history of over a century. For example, the Hong Kong Cricket Club was founded in 1851, the Hong Kong Golf Club in 1889 and the South China Athletic Association in 1910.

3. These sports clubs were granted land for development by the Government under PRLs at nil or nominal premium. They have provided sports facilities and related services by collecting fees from members or users of facilities or by raising funds. This arrangement has been in place for many years.

4. In addition to private sports clubs, non-profit-making organisations such as social and welfare organisations, uniformed groups, "national sports associations" (NSAs), district sports associations (DSAs) and civil service organisations were granted land by the Government under PRLs. At present, there are 73 PRLs (please see **Annex** for details). Between November 2011 and December 2012, 55 of them will expire. Most of the lessees of these PRLs have submitted applications to the Lands Department for renewal of their leases. The Home Affairs Bureau (HAB) is assisting in the processing of these applications.

Role of Private Sports Clubs

5. As in the past, private sports clubs with land granted under PRLs have made contribution to the promotion of sports development and the provision of recreational and sports facilities in Hong Kong. We consider that they can continue to play an important role in this respect. Our main considerations include :-

- (a) they have trained up a considerable number of elite athletes and squads to represent Hong Kong in local and international competitions at various levels, and they have provided training and competition venues to local leagues of different sports;
- (b) a number of private sports clubs have high quality sports facilities suitable for hosting major international sports events and they have worked with NSAs and the Government in organising activities to promote sport;
- (c) it is clearly stated in PRLs that the lessees are required to open their facilities to outside bodies, and some outside bodies have all along been using such facilities. As indicated in the information provided by the lessees of PRLs, most of them (mainly social and welfare organisations, uniform groups, NSAs and DSAs) have opened their venues and facilities to members of the public at low cost. For the remaining cases (including private sports clubs), a great number of lessees have allowed outside bodies to use their facilities for different purposes, including practices of school teams, training of Hong Kong sports teams and uniformed groups, as well as activities organised by social and welfare organisations; and
- (d) although the Government now provides more public sports facilities than it did in the past, there has been a strong demand for sports and recreational facilities in the community. By providing various sports and recreational facilities to over 650 000 members, as well as their families and friends, lessees of PRLs have helped to relieve the pressure on public facilities.

6. Regarding (a) and (b) in the preceding paragraph, private sports clubs have all along assisted in the promotion of sport, including the promotion of sports events which are less popular to the general public in Hong Kong such as cricket, lawn bowls, golf and hockey. They have also provided facilities for these sports which are seldom available in government venues. Without these sports clubs, the development of such sports events would certainly have been affected. Several private sports clubs have high quality sports facilities

suitable for hosting major international sports events. For example, the Kowloon Cricket Club, the Kowloon Bowling Green Club and the Hong Kong Golf Club have organised “M” Mark events such as the Hong Kong Cricket Sixes, the Hong Kong Open Golf Championship as well as other international tournaments (the Hong Kong Golf Club has organised the Hong Kong Open Golf Championship since 1959). Indeed, these events could not have been held without the facilities provided by the aforementioned clubs.

7. Private sports clubs in Hong Kong have become well established after many years of development. According to the information they provide to the Government, these sports clubs currently employ a total of over 6 200 full time staff and the total operating expenditure is around \$5.7 billion, representing a strong commitment of the private sports clubs on the operation their venues. They have provided high quality sports and recreational facilities which help to attract overseas executives and professionals to work in Hong Kong and maintain our status as an international metropolis. We believe that apart from Government’s promotion, the co-operation, complementary use of resources and mutual commitment among different organisations are equally important to the long-term development of sport in Hong Kong. Lessees of PRLs, including private sports clubs, also play a role in this regard.

8. Regarding paragraph 5(c), we understand that some of the facilities are less frequently used by outside bodies, either because these outside bodies are not aware of the availability of these facilities, or such facilities are not in easily accessible locations. We consider that this situation can be improved by enhanced publicity and information dissemination. Concerning reports about individual outside bodies being turned down when they applied to certain clubs for hiring of their facilities, this could be due to the fact that the current lease conditions require outside bodies to apply via a “competent authority”¹. We believe the situation can be improved upon the introduction of a new lease condition (see paragraph 13(c) below) and by requiring the lessees to comply with the new condition.

9. Moreover, most of the land lots on which the facilities of the clubs are situated were not in the heart of the city at the time when the leases were first granted. Some of the lots had no infrastructure. The present scale of establishment achieved by the clubs is attributed to their continuous operations, improvements and developments with the capital raised from their members and with their own resources over many decades, or more than a hundred years in some cases. Many of them have evolved to become part of Hong Kong’s social network, and their continued existence and operation are highly valued.

¹ The competent authorities are the Secretary for the Civil Service, Secretary for Education, Secretary for Home Affairs, Director of Social Welfare and Director of Leisure and Cultural Services.

10. Based on the above considerations, we are of the view that, in general, leases of private sports clubs should be renewed. We have also given consideration to the fact that if the leases are not renewed upon expiry, many lessees have to close down their clubs. Those to be affected include not only members of private sports clubs (many of whom are overseas executives and professionals working in Hong Kong), but also the staff employed by these clubs.

11. We recognise that in future it is necessary for private sports clubs to allow greater access to their sports facilities by outside bodies, so that they may contribute more to the development of sport and the provision of recreational facilities in Hong Kong. This also provides more opportunities for the public to make use of their facilities. We therefore propose that, in renewing the leases of these sports clubs, we should require them to further open their facilities to outside bodies, such as schools, NSAs and social and welfare organisations, and to serve our policy objectives for sports development. Details of our proposals are set out in paragraphs 12 and 13 below.

Renewal of PRLs

12. As mentioned above, 55 PRLs will expire between November this year and December next year. Among them, 23 PRLs are held by private sports clubs. Most of the lessees of these PRLs have submitted applications to the Lands Department for renewal of their leases. In the paper submitted to the Panel on Home Affairs on 13 May, we have made it clear our hope to see lessees of PRLs (including private sports clubs) allowing more access to their facilities in order to serve our three key policy objectives for sports development, namely –

- (a) promoting sport in the community;
- (b) promoting elite sports development; and
- (c) promoting Hong Kong as a centre for international sports events.

13. Specifically, when renewing the PRLs, we will impose the requirements for lessees to further open up their facilities, including –

- (a) we will generally require the lessees of PRLs to open up their facilities to the use of outside bodies to 50 hours per month or more, instead of the current condition of “no more than three sessions of three hours per week”. The revised condition will facilitate outside bodies in conducting all-day training or holding competitions. We

will also require the clubs to accord priority to outside bodies in hiring certain designated sessions;

- (b) the existing condition of not allowing outside bodies to use the facilities of the lessees during weekends or public holidays shall be removed. Nevertheless, we understand that availability of sports facilities for use by outside bodies during weekends may be rather limited as the demand from the clubs' own members will be greater at such times;
- (c) we will also introduce a new lease condition that would give outside bodies the option of booking sports facilities of lessees of PRLs directly, rather than having to go through a "competent authority", thereby making the booking arrangement more convenient. However, should the outside bodies encounter difficulties in their communication with the lessees of PRLs, they may still seek assistance from the "competent authority" or HAB;
- (d) private sports clubs can make a greater contribution in promoting the development of elite sports. At present, some private sports clubs charge young people significantly reduced entry fees to join their clubs as junior members. This allows young athletes to use their facilities for training, and to gain competition experience by representing the clubs. We will require that in future private sports clubs must put in place junior membership schemes that allow young sportsmen and women below a certain age to join at significantly reduced rates of entry. Those sports clubs should also allow NSAs to use their facilities for training or competitions for a minimum of 10 hours per month. This would help address the demand for training and competition venues from NSAs;
- (e) where suitable facilities are available, we will ask private sports clubs to allow NSAs to use their facilities for staging recognised international events, so that members of the public can have more opportunities to watch competitions which are staged in private sports clubs; and
- (f) the lease conditions for the current PRLs were drawn up over 15 years ago. Some of them may have become obsolete. One example is the prohibition against people from outside bodies to use the toiletries provided in the changing rooms of a club. We will remove these obsolete conditions in the leases.

14. Lessees of PRLs (including private sports clubs) are already aware of our requirements for them to further open up their facilities to outside bodies. These lessees are in general willing to accommodate the new arrangements.

However, we do not rule out that a few smaller private sports clubs may not be able to meet the above requirements or convince the Administration that they are capable of doing so. In such circumstances, we may not renew their leases. Meanwhile, there are several land lots among these leases that are subject to other planning purposes. We would deal with such leases by means of short term renewal.

Implementation

Enhanced Publicity and Monitoring

15. In dealing with individual cases of renewal applications, the departments concerned will be consulted to ascertain the lessees' compliance with the relevant conditions. We will also check whether the land lots on which the lessees are situated have to be resumed for other public purposes. Upon renewal, we will step up publicity and monitoring work, including:-

- (a) to make more outside bodies' aware of the lessees' facilities that are available for their use, we will require the lessees of the relevant PRLs to publish information about their facilities on their websites. Such information will also be uploaded to the websites of HAB and the competent authorities concerned. Moreover, we will release information to outside bodies (i.e. NSAs, schools, youth organisations and non-governmental organisations) about the facilities available for their use on a regular basis; and
- (b) on monitoring, we will require PRL lessees to submit a quarterly report on their records of opening up to outside bodies. We will also conduct random checks, and act on complaints and carry out appropriate follow-up actions.

Holding-over Arrangement

16. For the PRLs that will expire before the end of 2012, most of the lessees have submitted applications for renewal to the District Lands Officers. To avoid the creation of any "vacuum period" in the lease due to the time required for processing renewal applications - especially given that more time is needed for discussion with the lessees on the details of enhancing access to their facilities, the Director of Lands will, as a stop-gap measure, issue a "holding over" letter to allow these lessees to hold over the sites concerned under the terms and conditions of the expired leases subject to the payment of the interim rent.

Long-term Review

17. In the near future, we will focus on handling the renewal of leases that are expiring before the end of 2012. HAB would liaise with the relevant PRL lessees to establish their respective enhanced opening up arrangement after lease renewal, and publish such information via the internet. In the longer run, upon the completion of the lease renewal and the implementation of the opening up arrangements, HAB would work with relevant policy bureaux and departments to conduct a further review of the policy on PRLs. Different factors including sports development, land use, public expectations, and the interests of PRL lessees, their members and other stakeholders, would be taken into account in the review for formulating the way forward for PRLs. In order that the outcome of the long-term review would not be prejudiced by the upcoming lease renewal exercise, we would advise the PRL lessees when handling their lease renewal that there should be no expectation that their renewed leases would be further renewed upon expiry in 15 years, or that even if it would be further renewed, it might not continue to be renewed at nominal premium or on the same terms and conditions as contained in the renewed leases.

Presentation

18. Members are invited to comment on the matters mentioned in this paper.

Home Affairs Bureau
July 2011

List of Organisations holding Private Recreational Leases

Serial No.	Name of Holder	Location and Lot No.	Expiry Date
1.	Aberdeen Boat Club Limited	AIL 454, Shum Wan Road, Brick Hill	25.12.2021
2.	Bishop of the Roman Catholic Church in Hong Kong	Lot 1318, Cheung Chau	30.6.2012
3.	Boys' and Girls' Club Association of Hong Kong	Lot 642 DD 257, Wong Yi Chau	30.6.2012
4.	Chinese Recreation Club, Hong Kong	IL 8875, No. 123 Tung Lo Wan Road	25.12.2011
5.	Clearwater Bay Golf & Country Club	Lot 227 DD 241, Po Toi O	30.6.2012
6.	Club De Recreio	KIL 11098, No. 20 Gascoigne Road	25.12.2011
7.	Community Sports Limited	Lot 2322 DD 96, Ma Tso Lung	30.6.2012
8.	Craigengower Cricket Club	IL 8881, No. 188 Wong Nai Chung Road	25.12.2011
9.	Directors of the Chinese Young Men's Christian Association of Hong Kong	Lot 147 SD5, Sai Kung	30.6.2012
10.	Directors of the Chinese Young Men's Christian Association of Hong Kong	Lot 75 DD 254, Sai Kung	30.6.2012
11.	Directors of the Chinese Young Men's Christian Association of Hong Kong	Sha Tin Town Lot No. 366, 2 On Chun Street	30.6.2047
12.	Directors of the Young Men's Christian Association of Hong Kong	KIL 11105 and Extension, Off Gascoigne Road, King's Park	25.12.2011
13.	Duke of Edinburgh's Award Hong Kong	Lot 602 R.P. DD16, Lam Tsuen	30.6.2012
14.	Filipino Club	KIL 11096, No. 10 Wylie Road	25.12.2011
15.	Hebe Haven Yacht Club Limited	Lot 1138 and Extension DD 217, Pak Sha Wan	30.6.2012
16.	Hong Kong Buddhist Association	Lot 172 in DD4, Tung Chung	30.6.2012
17.	Hong Kong Chinese Civil Servants' Association	KIL 11048, No. 8 Wylie Road	25.12.2011
18.	Hong Kong Country Club	RBL 1129, Wong Chuk Hang Road	3.4.2012
19.	Hong Kong Cricket Club	IL 9019, No. 137 Wong Nai Chung Gap Road	30.6.2023
20.	Hong Kong Football Club	IL 8846, No. 3 Sports Road, Happy Valley	25.12.2011
21.	Hong Kong Girl Guides Association	IL 8894, Wong Nai Chung Gap Road	25.12.2011
22.	Hong Kong Girl Guides Association	Lot 148 DD 250, Sai Kung	30.6.2012
23.	Hong Kong Girl Guides Association	Lot 1707 DD 122, Yuen Long	30.6.2012

Serial No.	Name of Holder	Location and Lot No.	Expiry Date
24.	Hong Kong Girl Guides Association	Lot 2544 DD 92, Hang Tau Road, Kwu Tung South, Sheung Shui	28.2.2015
25.	Hong Kong Girl Guides Association	Kowloon Inland Lot No. 10734 at the junction of Gascoigne Road and Wylie Road	25.12.2056
26.	Hong Kong Golf Club	RBL 1117, Deep Water Bay	25.12.2011
27.	Hong Kong Golf Club	Lot 942 RP in DD 94, Sheung Shui	31.8.2020
28.	Hong Kong Gun Club	TWTL 399, Chuen Lung, Tsuen Wan	30.6.2012
29.	Hong Kong Jockey Club	IL 8847, No. 1 Sports Road and Wong Nai Chung Road	23.6.2034
30.	Hong Kong Jockey Club	STTL 13, Sha Tin	30.6.2012
31.	Hong Kong Model Engineering Club Limited	Lot 2416 in DD 118, Tai Tong, Yuen Long	3.11.2024
32.	Hong Kong Playground Association	Lot 667 DD 2, Mui Wo	30.6.2012
33.	Hong Kong Red Cross	Lot 142 in DD 319, Shek Pik, Lantau Island	30.6.2012
34.	Hong Kong Sea Cadet Corps (Area Committee)	NKIL 6001, Diamond Hill	30.6.2012
35.	Hong Kong Sea Cadet Corps (Lau Wah Sum & Samuel Derek Oates as Trustees for the Area Committee)	Lot 611 DD 256, Sai Kung	30.6.2012
36.	Hong Kong Softball Association	KIL 11088, Tin Kwong Road	24.12.2011
37.	Hong Kong Young Women's Christian Association	Lot 727 DD 332, San Shek Wan, Lantau	30.6.2012
38.	Hong Kong Youth Hostels Association	Lot 188 DD 337, Lantau	30.6.2012
39.	Hong Kong Youth Hostels Association	Lot 235 in DD Ngong Ping	30.6.2012
40.	Hong Kong Youth Hostels Association	TPTL 133, Tai Mei Tuk	19.9.2014
41.	Hong Kong, China Rowing Association (formerly known as Hong Kong Amateur Rowing Association Limited)	STTL 220, Yuen Wo Road, Sha Tin	30.6.2012
42.	India Club, Kowloon	KIL 11095, No. 24 Gascoigne Road	25.12.2011
43.	Indian Recreation Club	IL 8900, No. 63 Caroline Hill Road, So Kon Po	25.12.2011
44.	Jardine's Lookout Residents' Association	IL 8895, No. 2 Creasy Road, Jardine's Lookout	25.12.2011
45.	Kowloon Bowling Green Club	KIL 11065, No. 123 Austin Road	25.12.2011
46.	Kowloon Cricket Club	KIL 11052, No. 10 Cox's Road	25.12.2011
47.	Kowloon Tong Club	NKIL 5989, Waterloo Road, Kowloon Tong	24.12.2011

Serial No.	Name of Holder	Location and Lot No.	Expiry Date
48.	Kowloon Tsai Home Owners Association	NKIL 5961, No. 10A Cambridge Road, Kowloon Tong	25.12.2011
49.	Mong Kok District Cultural, Recreational & Sports Association Limited	KIL 11165, J/O Ivy Street & Beech Street	9.9.2018
50.	Municipal Services Staff Recreation Club Limited	KIL 11097, No. 4 Wylie Path	25.12.2011
51.	Outward Bound Trust of Hong Kong Limited	Lot 590 DD 256, Tai Mong Tsai	30.6.2012
52.	Pakistan Association of Hong Kong Limited	KIL 11094, No. 150 Princess Margaret Road	25.12.2011
53.	Po Leung Kuk	Lot 613 DD 257, Pak Tam Chung	30.6.2012
54.	Po Leung Kuk	Lot 2411 DD 118 and Extension, Tai Tong	5.11.2011
55.	The Post Office and Cable & Wireless Recreation Club Limited	IL 8597 RP, No. 108 Caroline Hill Road, So Kon Po	25.12.1996 (holding-over on quarterly basis subject to 3-month notice of termination)
56.	Royal Hong Kong Yacht Club	ML 709, Kellett Island	19.2.2056
57.	Royal Hong Kong Yacht Club	RBL 1181, Middle Island	24.5.2021
58.	Royal Hong Kong Yacht Club	Lot 341 and Extension DD 212, Che Keng Tuk	8.10.2014
59.	Scout Association of Hong Kong	IL 8961, Mansion Street, North Point	25.9.2013
60.	Scout Association of Hong Kong	NKIL 5956, Rutland Quadrant, Kowloon Tong	25.12.2011
61.	Scout Association of Hong Kong	Lot 1131 DD 217, Pak Sha Wan	30.6.2012
62.	Scout Association of Hong Kong	Lot 154 DD 195, Sha Tin	30.6.2012
63.	Scout Association of Hong Kong	Lot 131 in DD 60, Au Tau, Yuen Long	18.1.2024
64.	Scout Association of Hong Kong	TPTL 190, Tung Tsz, Tai Po	24.6.2025
65.	Scout Association of Hong Kong and The Hong Kong Girl Guides Association	KCTL 391, Wo Yip Hop Road, Kwai Chung	30.6.2012
66.	Scout Association of Hong Kong and The Hong Kong Girl Guides Association	STTL 272, Shui Chuen Au Street, Sha Tin	30.6.2012
67.	South China Athletic Association	IL 8850, No. 88 Caroline Hill Road, So Kon Po	25.12.2011
68.	South China Athletic Association	KIL 11071, No. 6 Wylie Path	25.12.2011
69.	Tai Po Sports Association Limited	TPTL 6 and Extension, Area 4, Tai Po	30.6.2012
70.	Tung Wah Group of Hospitals	Lot 2321 DD 96, Ma Tso Lung	30.6.2012

Serial No.	Name of Holder	Location and Lot No.	Expiry Date
71.	Victoria Recreation Club	Lot 316 DD 252, Sai Kung	30.6.2012
72.	Yau Yat Chuen Garden City Club Limited	NKIL 6042, 7 Cassia Road, Yau Yat Chuen	25.12.2011
73.	Yuen Long District Sports Association Limited	YLTL 520 (formerly known as YLTL 160), Yuen Long	18.10.2031