

立法會 *Legislative Council*

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Panel on Home Affairs

Background brief prepared by the Legislative Council Secretariat for the meeting on 12 November 2010

Bid for hosting the 2023 Asian Games

Purpose

This paper sets out the views and concerns of Legislative Council ("LegCo") Members on the bid for hosting the 2023 Asian Games.

Background

2. The Asian Games is the largest multi-sport event in Asia held once every four years. The first Asian Games were held in New Delhi, India in 1951, and the next (i.e. the 16th) Asian Games will be held in Guangzhou, China, from 12 to 27 November 2010, featuring 42 different sports (including 28 Olympic sports and 14 Asian Games sports). About 11 000 athletes and officials, 1 000 VIPs and technical delegates, and 7 000 media personnel are expected to attend the Games.

3. Having regard to the successful experience of the 2009 East Asian Games and the call from the general public for more Government initiatives to promote sports development, the Administration issued a Legislative Council Brief (Ref. HAB/CS/CR6/8/151) in June 2010 on its decision to issue a letter of support for the Sports Federation & Olympic Committee of Hong Kong, China to submit a "letter of intent" to bid to host the 2023 Asian Games to the Olympic Council of Asia. This was followed by a public consultation in September 2010 to seek the views of the community on the bid to host the Games.

Estimated cost for hosting the 2023 Asian Games

4. According to the Administration, the hosting of the 2023 Asian Games is instrumental for achieving the three strategic directions for the long-term sports development in Hong Kong (viz. to help elite athletes achieve excellence; to develop a strong sporting culture in the community; and to raise Hong Kong's profile for international sports events). The direct costs for hosting the Games will be about \$13.7 to 14.5 billion at current price level, made up of \$3.2 billion to \$4 billion operating cost and \$10.5 billion capital cost. The Administration will bring forward sports projects identified for long-term development such as the Kai Tak Multi-purpose Stadium Complex and other facilities, with an estimated cost at about \$30.17 billion. Adding to the overall capital cost of hosting the Games will be the construction of an athletes' village comprising 3 000 units to accommodate the delegations, and the recurrent cost of managing and maintaining upgraded sports facilities after the Games at about \$15.6 million per annum.

Members' views and concerns

5. The Panel held a special meeting on 21 September 2010 and received a briefing from the Administration on the consultation paper "Should Hong Kong bid to host the 2023 Asian Games?". Major views and concerns expressed by members at the meeting are summarized in the ensuing paragraphs.

Public consultation and cost estimate

6. Some members criticized the Administration for not providing a detailed financial estimate for such a pricey sport event in the consultation document. They also expressed grave dissatisfaction at the Administration's hasty manner in conducting the public consultation (originally scheduled to be concluded in six weeks on 3 November 2010). Some members raised concern that the Administration might have underestimated the financial implications for hosting the Games, as the infrastructural costs associated with staging the Games and the possible escalation in material and construction costs had not been accounted for in the cost estimate.

7. In the light of members' concern, the Home Affairs Bureau had extended the consultation period for about four weeks until 1 December 2010. According to the Administration, the extension was made possible as the Olympic Council of Asia had extended the submission deadline of the formal bid document to 15 February 2011. The Administration also furnished the Panel with more information regarding the financial implications for hosting the Games, and undertook to provide the complete findings on the financial and economic assessments to the Panel when the consultancy report was finalized vide LC Paper No. CB(2)2370/09-10(01).

Allocation of social resources

8. In view of the diverse demand in the society for more public funds to address far more pressing issues such as poverty alleviation, many members were highly concerned about the substantial resources to be committed for hosting the Asian Games. They considered it difficult for the public to support the hosting of the Games in the absence of strong justifications on how Hong Kong would benefit from the huge resources to be put into the Games, and the absence of effective measures to address issues of wide public concern. Some members were worried about the impact of the Games on the implementation of the outstanding leisure and culture services projects of the former municipal councils. Other members considered that as a matter of priority, the Administration should step up efforts in sports development in the next 13 years, particularly in addressing the long-standing shortage of sports and recreational facilities at district level, and enhancing the training of athletes, as well as their career prospects upon retirement.

9. According to the Administration, efforts to address poverty and other social issues should not preclude initiatives to promote sports development. The hosting of the Asian Games would give a strong boost to sports development, and complement the development and provision of sports and recreational facilities in the coming 13 years in that: many existing venues would be upgraded or expanded for the Games; the implementation of many planned venues would be brought forward to tie in with the timeframe for the Games, and the venues for the Games would be utilized for other international sports events and elite training, as well as opened for public use after the competition. The Administration also assured members of its continuous commitment to pursuing the three strategic directions for long-term sports development, regardless of the outcome of the proposed bid.

Facilities and venues for the Games

10. Regarding members' concern that the costly game venues might become "white elephants" after the Asian Games, the Administration advised that drawing from the experience of the 2009 East Asian Games, the Government would not bring in extravagant infrastructure with no long-term benefits, and the facilities concerned would be used by athletes and residents of the community in the long run. The Administration also explained that many facilities for the Games, such as the Multi-purpose Stadium Complex at Kai Tak, were projects which had long been identified for development/redevelopment to meet the community needs.

Development of the athletes' village

11. In view of possible controversies over the land premium for the development of the athletes' village, members urged the Administration to

consider engaging a public organization instead of a private developer for the development of the project. Members also expressed support for the conversion of the athletes' village into public housing after the Games so as to address the public's pressing demand for housing.

12. According to the Administration, it was a common practice to build non-luxury flats as athletes' village and for them to be sold to the public after the event. In Hong Kong's bid for the 2006 Asian Games, it was suggested that athletes' flats be built by a private developer. For the 2023 Asian Games, there was a suggestion that a public body might take charge of planning, building and managing such units. The Administration remained open to these options.

13. At the Council meeting on 20 October 2010, Hon Kam Nai-wai raised a question on a number of issues in relation to the bid for hosting the 2023 Asian Games. These included impact of the anticipated rise in material and construction costs on the capital cost for the Games; details of the upgrading and construction works for the competition venues; timetable for the completion of these venues and their anticipated usage after the Games; estimated cost of the athletes' village and land premium involved; and criteria for the evaluation of public views. The Administration's response is in **Appendix I**.

Latest development

14. The Panel will further discuss issues relating to the bid to host the 2023 Asian Games at its regular meeting on 12 November 2010. The Panel will also hold a special meeting on 29 November 2010 to meet with deputations, including representatives from the 18 District Councils, National Sports Associations and individual athletes to listen to their views.

Relevant papers

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

Press Releases

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LCQ14: Consultation paper on "Should Hong Kong bid to host the 2023 Asian Games?"

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Following is a question by the Hon Kam Nai-wai and a written reply by the Secretary for Home Affairs, Mr Tsang Tak-sing, in the Legislative Council today (October 20):

Question:

The Home Affairs Bureau published a public consultation paper on "Should Hong Kong bid to host the 2023 Asian Games?" (Consultation Paper) last month to brief the public on the potential costs and benefits in hosting the Asian Games. In this connection, will the Government inform this Council:

(a) given that the high prices of construction materials in recent months have resulted in soaring construction costs, in respect of the Government's current cost estimates for the alterations, upgrading or construction works for the venues planned for staging the Asian Games (including existing government and non-government facilities as well as sports centres that have been studied or planned), by how much the costs of such works will increase during the construction stage as compared with those estimated according to the current level;

(b) what temporary alterations or upgrading works will be undertaken by the authorities for the proposed competition venues for staging the 35 sports mentioned in the Consultation Paper and, among these venues, the number of those which require installation of additional seats, and the respective additional number of permanent or temporary seats to be installed in each of such venues; whether these seats need to be removed after the Asian Games; if so, of the number of temporary seats that have to be removed in respect of each venue and the respective amount of charges involved for the removal;

(c) of the anticipated usage of the various venues (including the venues listed in Annexes B and C to the Consultation Paper) in (b) after the Asian Games, and list the usages against the names of the venues concerned, together with the user organisations or the sports for which the venues will be used;

(d) of the respective original timetables for the construction, completion and commissioning of each of the sports venues listed in Annex C to the Consultation Paper, and whether such timetables are expected to be revised after Hong Kong has successfully bid for the Asian Games; if so, of the details;

(e) given that it was stated in the Consultation Paper that the proposed Multi-purpose Stadium Complex (MPSC) at Kai Tak will be the main competition venue for the Asian Games, of the estimated number of branch venues that MPSC will comprise, the respective seating capacity of each branch venue and the aggregate seating capacity of MPSC; of the difference in the seats and equipment of such venues as compared with their original plans; apart from MPSC, of the number of seats provided by each of the sports venues listed in Annex C to the Consultation Paper;

(f) of the estimated construction cost of the athletes' village and the land premium involved; and

(g) what criteria the authorities will adopt in evaluating public views on the bid for hosting the Asian Games; whether the authorities will decide not to bid for the Asian Games on the ground that the majority of the public do not support the bid?

Reply:

President,

In late September, the Home Affairs Bureau launched a public consultation exercise to gauge the public's views on whether Hong Kong should bid to host the 2023 Asian Games. In the light of the views of Legislative Council (LegCo) Members and the public that the original six-week consultation period was too short, we have extended the consultation period by four weeks until December 1, 2010. In other words, the consultation exercise will now run for two and a half months. In addition, we provided the LegCo Panel on Home Affairs on October 8, 2010 with detailed information regarding the financial implications for hosting the 2023 Asian Games in Hong Kong, including the breakdown of the estimated operating and direct capital costs, projected revenue, and number of jobs created. We hope that the community would be able to analyse different arguments and facts, and express their views during the consultation period.

Our reply to the various parts of the question is as follows:

(a) The capital cost set out in our consultation paper is

estimated at the current price level. If the public supports the proposed bid, we will plan and implement a number of tasks carefully and comprehensively, including making a detailed assessment of how Hong Kong can meet the requirements of the Olympic Council of Asia as a host city of the Asian Games in terms of venue facilities, accommodation, security, transportation and other ancillary facilities, and preparing the estimates of expenditure. Should Hong Kong decide to bid for the 2023 Asian Games, we will submit a detailed discussion paper to the LegCo Finance Committee to seek its approval-in-principle on the financial implications for hosting the 2023 Asian Games and the Asian Para Games (which follows shortly after), including the financial assessment of the costs at both the current and the estimated 2023 price levels, prior to the submission of the formal bid document.

(b) As set out in the consultation paper, we proposed to adopt a three-pronged strategy on the provision of venues, namely (a) to make optimal use of existing Government and non-Government sport facilities; (b) to expand and bring forward planned sports facilities with a view to meeting the requirements for staging the Games; and (c) to speed up consideration of redevelopment and new projects. The direct capital costs for items (a) and (b) above (including the temporary modification works to existing facilities and upgrading works for bringing proposed new venues up to Asian Games standards, i.e. works/projects which would not have been planned and rolled out if we were not hosting the Games) amount to some \$10.5 billion. The estimated expenditure covers temporary provisions required by 35 competition venues (including the hired venues and proposed venues in neighbouring cities) such as temporary seating, media work area, temporary toilets and changing rooms, venue dressing, signage, etc, and reinstatement works after the Games.

(c) The sites for the Multi-purpose Stadium Complex (MPSC) at Kai Tak and other long-term projects have long been identified for development/redevelopment to meet community needs. Assuming the proposed MPSC at Kai Tak would serve as the main competition venue for the Asian Games, it is expected that after the Games, the MPSC could be used by different National Sports Associations, schools as well as business and trade organisations for sports competitions and training purposes. For example, major football or rugby events can be held in the main stadium, track and field events or school athletic meets in the secondary stadium, while the multi-purpose indoor sports arena is suitable for gymnastics, wushu and different ball games or activities. Apart from sports events, the Kai Tak MPSC can also be used for other purposes such as concerts, exhibitions and performances. Other newly-built or redeveloped facilities can be put to

different uses, having regard to their features. For example, high level competitions can be held at the new hockey ground and the redeveloped/reprovisioned tennis centre, while other indoor sports arenas can be used for competitions and training activities, as well as different ball games by the public.

(d) According to the latest programme, construction work of the MPSC at Kai Tak is expected to commence in April 2014, with the target date for trial run in April 2019. The work schedules of other long-term projects are subject to further planning and study. If Hong Kong succeeds in bidding to host the 2023 Asian Games, the construction or upgrading works of all competition venues must be completed before 2023.

(e) According to the consultation paper, the athletic and gymnastic events are proposed to be held at the Kai Tak MPSC. The current plan for the Kai Tak MPSC includes a 50,000-seat main stadium, a 5,000-seat secondary stadium, and a 4,000-seat multi-purpose indoor sports arena. The proposed scale of the MPSC has not been changed as a result of our consideration in supporting the proposed bid. Our plan has always been to bring the proposed facilities at Kai Tak MPSC up to the standards for staging international sports events. If Hong Kong succeeds in bidding to host the Asian Games, we only need to carry out temporary works to meet the prevailing requirements for individual sports events for staging the Asian Games.

The scales of other sports venues listed in Annex C of the consultation paper are still under planning. According to preliminary planning, the estimated numbers of seats of the relevant sports venues (including fixed and temporary seats) are as follows:

- (a) two new sports centres with a total of about 4,600 seats;
- (b) a new sports ground with about 3,000 seats; and
- (c) a redeveloped/reprovisioned tennis centre with about 5,000 seats.

(f) The host city of the Asian Games is required to provide an "athletes' village" with about 3,000 flat units to accommodate the delegations. As we are still considering the mode of delivery and the proposed sites for the athletes' village, information on the construction cost and the land premium involved are not available at this stage.

(g) The Home Affairs Bureau is responsible for collecting and analysing views collected through various channels. To ascertain the views of the public, the Bureau will, in addition to considering the numbers of those who are in support and those who oppose, study the grounds of all parties carefully.

We keep an open mind on the consultation and will listen to the public's views conscientiously. We hope that the community would be able to analyse different arguments and facts, and express their views during the consultation period. We will come to a conclusion and make the decision after the close of the consultation period.

Ends/Wednesday, October 20, 2010

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Appendix II

Panel on Home Affairs

Relevant documents on Bid for hosting the 2023 Asian Games

Committee	Date of meeting	Paper/Council question	LC Paper No.
Panel on Home Affairs	21.9.2010	Presentation materials provided by the Administration	CB(2)2292/09-10 http://www.legco.gov.hk/yr09-10/chinese/panels/ha/papers/ha0921cb2-2292-ec.pdf
		Administration paper on the financial implications of hosting the 2023 Asian Games in Hong Kong	CB(2)2370/09-10(01) http://www.legco.gov.hk/yr09-10/english/panels/ha/papers/ha0921cb2-2370-1-e.pdf
		Legislative Council Brief on support for bid to host the Asian Games	HAB/CS/CR 6/8/151 http://www.legco.gov.hk/yr09-10/english/panels/ha/papers/ha0921-habcsr68151-e.pdf
Council meeting	20.10.2010	Written question raised by Hon KAM Nai-wai on "Consultation paper on "Should Hong Kong bid to host the 2023 Asian Games?"	http://www.info.gov.hk/gia/general/201010/20/P201010200173.htm