

Translation

**Opening Statement by SHA
At meeting of Public Accounts Committee on 30 April 2012
on discussion of Chapter 8 “Youth Square”
of Director of Audit’s Report No. 58**

Mr. Chairman,

Thanks for making arrangement on the timing of this meeting. I would first like to talk briefly on the policy aspects concerning the Youth Square. My colleagues will then respond to questions raised by Committee Members on the detailed operation of the Square.

2. Youth development work is an investment. To nurture young people for the future of Hong Kong has always been the policy direction of the SAR Government. For instance, in the Budget approved by the Legislative Council for this financial year, a provision of nearly \$60 billion has been earmarked for recurrent expenditure on education for young people. Yet, the education of young people is not confined to classrooms. The Home Affairs Bureau (HAB) is responsible for implementing a multitude of youth development activities outside schools, including leadership training, civic education, character building, artistic pursuits, social skills, etc. An amount of about \$190 million is devoted to such purposes every year. On top of the above, a substantial amount of resources are spent on supporting youth by social welfare establishments.

3. The subject matter at issue today, the Youth Square, is a project launched with a long-term perspective. The whole project, starting from planning, construction to completion and operation, has spanned over three terms of Administration. From documentary information of the Legislative Council (LegCo), we can see that the first term of Administration decided to construct a youth development centre upon the advice of the Commission on Youth (COY). At that time, the Chairman of the COY, who was also a member of LegCo, pointed out that the lack of venues and facilities for youth development activities had forced youth organizations to rent commercial venues for youth or exchange activities. Hence, there was a need to build a modern youth centre. In 2001, the Finance Committee of the LegCo approved some \$55 million for the construction work of the project on the premise that a limited company would be set up to run the composite facility on a

self-financing basis. With the economic downturn, the HAB hired another consultant to conduct a study, and had sought the views of youth organizations and the LegCo Panel on Home Affairs. The Administration decided to give up the idea of operating the youth centre by a limited company on a self-financing basis, and informed the Finance Committee of the LegCo that the HAB would cover the operating deficit with public funds.

4. The current term of the Administration took over the completed composite centre by end 2008, renamed it “Youth Square” and set up a Management Advisory Committee with multi-parties participation. As its name suggests, the Youth Square should be operated for the sake of youth development to achieve the goal on youth policy of the HAB. The resources injected by the HAB should be in step with the overall consideration of the Government and not without restraint. The Youth Square should make the best effort to increase its revenue and save costs so as to achieve cost-effectiveness. The facilities of the Youth Square should first and foremost be made available for use by youth service bodies and organizations. Nevertheless, if the facilities are not hired by youth organizations, the Youth Square, as a public venue, should also rent its facilities to non-target organizations to increase revenue.

5. The Youth Square went into full operation in March 2010 and has hosted a wide variety of youth development activities since then. In 2011-12, over 730 youth activities were held, including World Dance Day and Crafts Mart organized by the Youth Square; Youth Workshops of HAB; Project Dance of the Hong Kong Federation of Youth Groups; Young Envoys Programme of the UNICEF; Youth Progressive Programme Promotion Campaign of the Hong Kong Red Cross; dance training programme of the Methodist Centre; and Cantonese opera training of the Eastern District Arts Council. The Youth Square has gradually become a platform for territory-wide youth activities and at the same time catering to the needs of local residents of Chai Wan.

6. It is noteworthy that the Youth Square has been fully operational for two years only and is still at a developing phase. Like any new facilities, the Youth Square takes time to build up its brand, usage rate and visitor flow. We are glad to see that more and more organizations are hiring Youth Square venues for their activities. The following figures indicate a steady upward trend:

- The youth hostel registers an annual occupancy rate of 80%¹ on average;
- Occupancy rate of office space reaches 100%;
- Occupancy rate of retail shop reaches 98%;
- Major performance venues, ie. the Y-Theatre and the Y-Studio register an utilization rate of 84% and 74%² respectively; and
- Over half (55%) of the events (i.e. about 730³) held in the Youth Square are youth activities, representing a substantial increase over the figures of about 80 in 2009-10 and 430 in 2010-11.

7. We will continue our efforts in improving the operation of the Youth Square, especially those specified facilities with low utilization rate, such as the Recording Studio and the Fashion and Design Studio. These facilities are provided in response to the views of various parties at the preparation and design stage of the Youth Square. Since these facilities have not been in operation for long, we will try to boost utilization by further fine-tuning the hiring policy, stepping up publicity and enhancing cooperation with strategic partners. If all these efforts fail to achieve the desired results, we will then change the use of these facilities.

8. Our work direction is to further boost usage by young people. HAB and the Youth Square Management Advisory Committee (YSMAC) are well aware that the present usage by the youth is yet to reach the desired level. Non-youth programmes are accepted because we wish to popularise the Youth Square to bring in more visitor flow at the initial stage of its operation. Our primary objective is, after all, to promote youth development. To this end, we will continue to consult YSMAC to draw up qualitative and quantitative performance targets to measure the effectiveness of the Youth Square in promoting youth development.

¹ The occupancy rate for hostel (78%) shown as a Category A facility in Table 6 of the Director of Audit's Report only reflects the position of the contract year up to January 2012.

² The usage rate of the performance venues shown as Category C facility in Table 6 of the Director of Audit's Report has also included that of the Y-Platform. The average usage rate for the three facilities is 72%.

³ The actual number of youth activities: 83 in 2009-10; 431 in 2010-11; 726 in 2011-12 (up to March 2012) and is expected to reach nearly 800 for the whole year.

9. We will review the management and mode of operation of the Youth Square in 2013, i.e. three years after its formal commencement of operation. We will actively follow up the recommendations of the Audit Report and the views of Committee Members as well as relevant stakeholders so that the Youth Square can better achieve its function in promoting youth development. I must reiterate that youth development is a long-term and sustained investment which cannot be expected to yield swift and immediate return. I think the contributions of the Youth Square in the promotion of youth development will go beyond what can be measured on monetary terms.

10. My colleague and I are very happy to take any questions by Committee Members. Thank you, Mr. Chairman.