

For Discussion on  
17 February 2014

## **Legislative Council Panel on Home Affairs**

### **Planning of the Kai Tak Multi-purpose Sports Complex (MPSC)**

#### **Purpose**

Further to the discussion at the meeting of the Panel on Home Affairs on 10 January 2014, this paper briefs Members on issues related to the planning of the Kai Tak MPSC and seeks Members' views on the establishment of a dedicated unit in the Home Affairs Bureau (HAB) to take forward the implementation of the project.

#### **Planning and financing of the MPSC**

2. Under the statutory Kai Tak Outline Zoning Plan (OZP), an area of about 19 hectares is zoned as: "Other Specified Uses (Stadium)" (an extract from the OZP is at **Annex I**). The development of the OZP was the result of the Kai Tak Planning Review, which included an extensive three-stage public participation programme. One of the conclusions of the review was that: "The community's views envisage Kai Tak as a hub of sports, recreation, tourism and entertainment." The reservation of a large site for the development of a major sports facility is therefore consistent with this conclusion and the community's aspirations for the Kai Tak Development.

3. The Administration has been planning the development of a multi-purpose sports complex at Kai Tak since 2008 and in 2010 prepared an initial Technical Feasibility Statement (TFS) that addressed the initial planning and technical issues related to the development of the project, as a basis for proceeding with further, more detailed studies and pre-construction work.

4. Given the scale of the project, the MPSC is likely to require a significant level of capital investment. In order to assess the possible advantages of inviting private sector investment in the MPSC to reduce the overall capital cost of the project and to provide more innovative and creative management of the complex, in 2013 we engaged a consultant to

study the potential procurement and financing options for the MPSC. A summary of the findings of the study is at **Annex II**. In essence, the study found that full commercial funding of the MPSC would not be viable and that any private sector participation funding options would be financially viable only if the Government were to shoulder all the capital costs and guarantee the private sector a return on equity.

5. In the light of these findings, we have concluded that construction of the MPSC should be funded through the Public Works Programme (PWP) and that the private sector should be involved in the long-term operation of the complex. This approach will allow us to harness the expertise and creativity of the private sector, whilst also offering the greatest certainty in terms of ensuring that the project outcome is consistent with our sports policy objectives.

### **The Policy on Sport and the MPSC**

6. At the last Panel meeting, Members would like to have an elaboration of the Government's sport policy to ensure that the proposed MPSC project is in line with the objectives in the policy. The Government's policy for developing sport in Hong Kong has three broad objectives: to promote sport in the community, to support elite sport, and to make Hong Kong a centre for major international sports events. Since these objectives were formulated in 2002, the three broad directions have guided all the policy measures and works projects undertaken by the Home Affairs Bureau (HAB), the Leisure and Cultural Services Department (LCSD), the Hong Kong Sports Institute, as well as other sport organizations that receive funding from the Government. This policy has been presented and explained at various meetings of the Legislative Council (LegCo) from time to time, and has the general support of the sports sector and the wider community.

7. The availability of suitable sports facilities is essential if we are to meet these broad policy objectives. Whilst we continue to plan and build **public sports facilities** to meet the demand from the wider community, with reference to the parameters set out in the Hong Kong Planning Standards and Guidelines (HKPSG), there is a general shortage of sports grounds and indoor sports centres in Hong Kong as a whole. These facilities are well used by local residents in Hong Kong – sports grounds have usage rates of 100%, and that for the main arenas in indoor sports centres exceed 80% in 2013. In East Kowloon, specifically, based on the HKPSG standards and population projections for the three districts of Kowloon City, Kwun Tong and Wong Tai Sin, by 2021 there will be a

shortfall of three indoor sports centres and one standard sports ground. The provision of MPSC will help address the shortfall of such facilities in East Kowloon.

8. As regards the provision of **facilities for elite sport**, the recent \$1.8 billion redevelopment of the Hong Kong Sports Institute at Fo Tan has considerably improved the level of facilities available for supporting our top athletes. However, in relation to **venues for hosting major sports events**, we rely on aging facilities that are falling behind the standards expected by international athletes and event organisers in areas such as: spectator capacity and services; back-up services for media, sponsorship and corporate entertainment support facilities; and flexibility in terms of the types of event that the venues can host.

9. By providing high-quality sports facilities that will help alleviate Hong Kong's shortage of public sports facilities and new venues suitable for hosting major local and international sports events, the MPSC will directly and significantly contribute to the realisation of our policy objectives for sport. On a broader front, the MPSC will provide further impetus to the development of East Kowloon, similar to the way in which the London Olympic Park is the focus of regenerating part of East London.

10. To help ensure that the long-term operation of the MPSC is in tune with our policy objectives for sports development, when engaging a private sector operator to run the complex we plan to enter a contractual arrangement with the operator that will allow us to exercise appropriate controls. This arrangement should create incentives for the operator to run the MPSC as a lively and attractive venue that would allow easy public access to sports and other facilities whilst also catering for a programme of regular world-class sports and entertainment events. There are a number of companies world-wide that have relevant experience and expertise in managing sports complexes and securing international events. We do not foresee any difficulty in identifying a suitable operator for the MPSC.

### **MPSC - Project Scope**

11. As reported to Members at the last meeting on 10 January 2014, the MPSC will provide an array of high-quality international sports venues, sports facilities and open space for the community, park features, office accommodation and retail and dining outlets, and will be open to the public throughout the day, seven days a week.

12. The current indicative master layout plan for the MPSC is at **Annex III**. The scope of the project includes the following facilities –

- a 50 000-seat stadium with a retractable roof;
- a public sports ground with permanent seating for 5 000 spectators, suitable for jogging, athletics training and competitions, and football and rugby matches;
- an indoor sports centre with a main arena with permanent seating for 4 000 spectators and a secondary arena with seating for 400 spectators to accommodate sports such as basketball, volleyball, badminton, table tennis and wushu;
- office space of at least 10 000 square metres (m<sup>2</sup>);
- commercial space of at least 31 500 m<sup>2</sup> to accommodate retail and food and beverage outlets;
- park features such as children’s play areas, tai chi areas, fitness stations and jogging trails;
- cycling trails connecting with the wider cycling network in the Kai Tak Development;
- a landscaped garden with covered seating;
- a grass area with shade and seating; and
- ancillary facilities such as lavatories, baby care rooms and store rooms.

13. The 50 000-seat stadium will meet the international standards for hosting major sports events, and will be designed with a view to maximising flexible use of the stadium for a variety of sports. The public sports ground will provide the public with facilities for sports such as athletics, football, and the indoor sports centre will cater for sports such as badminton, gymnastics, wushu, dancesport and table tennis. Similar to the new Hong Kong Velodrome at Tseung Kwan O, the MPSC will be set in an environment that will include a large amount of open space and park features for the public’s casual enjoyment. We have considered carefully whether there is justification for providing a swimming-pool at the MPSC.

There are already several swimming facilities in East Kowloon, including the newly renovated Kwun Tong Swimming Pool, swimming-pool complexes at Kowloon Tsai and Morse Park, and indoor facilities at Hammer Hill Road and Lam Tin. We therefore do not see any justification for the additional expenditure that would be required to include a swimming-pool at the MPSC.

14. The planned installation of a retractable roof on the main stadium will provide scope for a wide range of sporting and entertainment events at the stadium and will protect the playing surface during adverse weather conditions. There are many successful examples of stadia with retractable roofs in other parts of the world, such as the Singapore Sports Hub, Wembley Stadium in England and the Millennium Stadium in the Wales. Subject to the final design of the main stadium, the complete closure of the roof could require a height of up to about 70mPD. Given that the height limit on the site under the current OZP is 55mPD this would require a relaxation of the limit.

### **Pre-construction Works**

15. We reported to Members on the proposed scope and other details of the pre-construction works for the MPSC in the paper discussed at the Panel meeting in January 2014 (paragraph 10 of the CB(2)606/13-14(03)).

16. In recent months, we have consulted the Kowloon City, Kwun Tong and Wong Tai Sin District Councils, the Harbourfront Commission's Task Force on Kai Tak Harbourfront Development and representatives of the sports sector on the proposed scope of the MPSC. We also report regularly to the Sports Commission<sup>1</sup> on progress, and the Commission has established a task force to monitor and give advice on the project.

### **Use of the MPSC**

17. Our intention is that the public should have easy access to the MPSC and that the public sports facilities should be available for use at charges comparable to those for facilities run by LCSD. We expect the usage rates for these public sports facilities to be high, based on the high

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<sup>1</sup> The Sports Commission advises the Government on sports development policy. It has three Committees, which advise on measures to promote sport in the community, support elite sport and develop major sports events in Hong Kong.

demand for such sports facilities in East Kowloon - and indeed Hong Kong as a whole.

18. We also expect a good usage rate for the 50 000-seat stadium. We note that major stadia elsewhere in the world typically host 20 to 30 major event days per year, with average attendances ranging from 50% to over 70%. Examples include Wembley Stadium in England, the Millennium Stadium in Wales and the Stade de France. The profile of events for the Hong Kong Stadium in the 2012-13 sports season (**Annex IV**) shows that there were 32 event days. Our aim is that the design of the 50 000-seat stadium will allow for a greater range of events than the Hong Kong Stadium, and although priority should be given to hosting sports events, there is also scope for large-scale entertainment events, such as stadium pop concerts, and exhibitions to be held at the venue.

## **Establishment of a Dedicated Unit in HAB**

### *Background and justification*

19. Policy related to sports development is the responsibility of the Recreation and Sport (R&S) Branch of HAB. A list of responsibilities of the Branch is at **Annex V**. The Branch is headed by an Administrative Officer Staff Grade B (D3) officer, supported at directorate level by one Administrative Officer Staff Grade C (AOSGC) (D2) officer. The R&S Branch is tasked with taking forward the MPSC project, among other responsibilities. To make good progress with the MPSC, we will require strong policy input and analysis in relation to the detailed planning and development of the project, including the implementation of a procurement plan; supervision of the master planning and design of the project; coordination of the individual venue planning issues; and interface with other projects at the Kai Tak Development (KTD).

20. In addition to taking forward the MPSC project, the R&S Branch will be required to conduct a comprehensive review of the policy on Private Recreational Leases (PRLs). The issues of utilisation and access to facilities on PRL sites have come under close scrutiny from LegCo Members and the media. The Ombudsman conducted a direct investigation in the subject in 2012, and the Audit Commission published an investigation report on the issue in November 2013, which was subsequently the subject of a public hearing by the Public Accounts Committee. In accordance with the recommendations of the Audit Commission, HAB will lead a comprehensive review in which the Development Bureau and the Lands Department, Planning Department

and Rating and Valuation Department will also take part. Issues to be considered will include: other potential uses for the concerned lots; financial considerations; the interests of the lessees, their members and staff; and the wider public interest.

21. In view of the significant increase in workload that the R&S Branch faces in taking forward the MPSC project and the comprehensive review of the PRL policy, as well as other, “regular” issues related to sports development policy, we consider that there is a need to set up a small, and dedicated team in HAB, led by a directorate officer, to steer the implementation of the MPSC and the review of the PRL policy to ensure timely delivery of these initiatives. The officer heading the team should be sufficiently senior to take forward these two tasks, both of which require a high level of policy input and extensive coordination with government and non-governmental organisations. Accordingly, we propose that a supernumerary AOSGC post, designated Principal Assistant Secretary (Recreation and Sport) 2 (PAS(RS)2), be created in HAB for a period of two years from 2014-15 upon the approval by the Finance Committee (FC). PAS(RS)2 will report to the Deputy Secretary in HAB (DSHA(2)) who oversees the R&S Branch. The proposed job description of the PAS(RS)2 post is at **Annex VI**. HAB will review the continued need for the post in the light of the actual workload and progress of the two issues concerned before the lapse of the post.

22. We propose that the PAS(RS)2 be supported by three additional non-directorate staff, i.e., one Senior Architect, one Senior Engineer and one Personal Secretary I. One Senior Administrative Officer and two Senior Executive Officers will also be internally redeployed to support PAS(RS)2. The organisation chart of the R&S Branch showing the proposed posts is at **Annex VII**.

#### *Alternatives Considered*

23. We have examined the staffing position in the R&S Branch of the HAB and explored the possibility of identifying spare capacity to perform the duties of the proposed AOSGC post. As mentioned in paragraph 19 above, the Branch is in charge of *all* matters related to sports development but has only two directorate officers. As the only PAS responsible for sports-related matters, PAS(RS) is heavily occupied with the existing schedule of work and with developing other new initiatives aimed at further promoting the development of sport in Hong Kong. Without the proposed supernumerary PAS(RS)2 post, the R&S Branch will not be able to make good progress with the implementation

of the MPSC project and the comprehensive review of the PRL policy as well as other initiatives.

24. We have examined whether the other seven AOSGCs responsible for different policy areas in HAB can absorb the proposed duties of the PAS(RS)2 post. These officers are working on a wide range of policy issues, including civic affairs, cultural matters and the West Kowloon Cultural Development Area. It is operationally not feasible for them to take up the tasks of the proposed AOSGC post without adversely affecting the performance of their duties. A dedicated AOSGC officer is therefore essential to provide a focused policy steer and ensure collaboration between different parties in the timely planning and implementation of the MPSC project and the comprehensive review of the PRL policy. The detailed work schedules of the other seven AOSGCs in HAB are at **Annex VIII**.

#### *Financial Implications*

25. The proposed creation of the supernumerary AOSGC post will bring about an additional notional annual salary cost at mid-point of \$1,739,400. The full annual average staff cost, including salaries and staff on-cost, is \$2,503,000.

26. The additional notional annual salary cost at mid-point and the full annual average staff cost, including salaries and staff on-cost, for the three additional non-directorate staff mentioned in paragraph 22 above are \$2,664,240 and \$3,922,000 respectively.

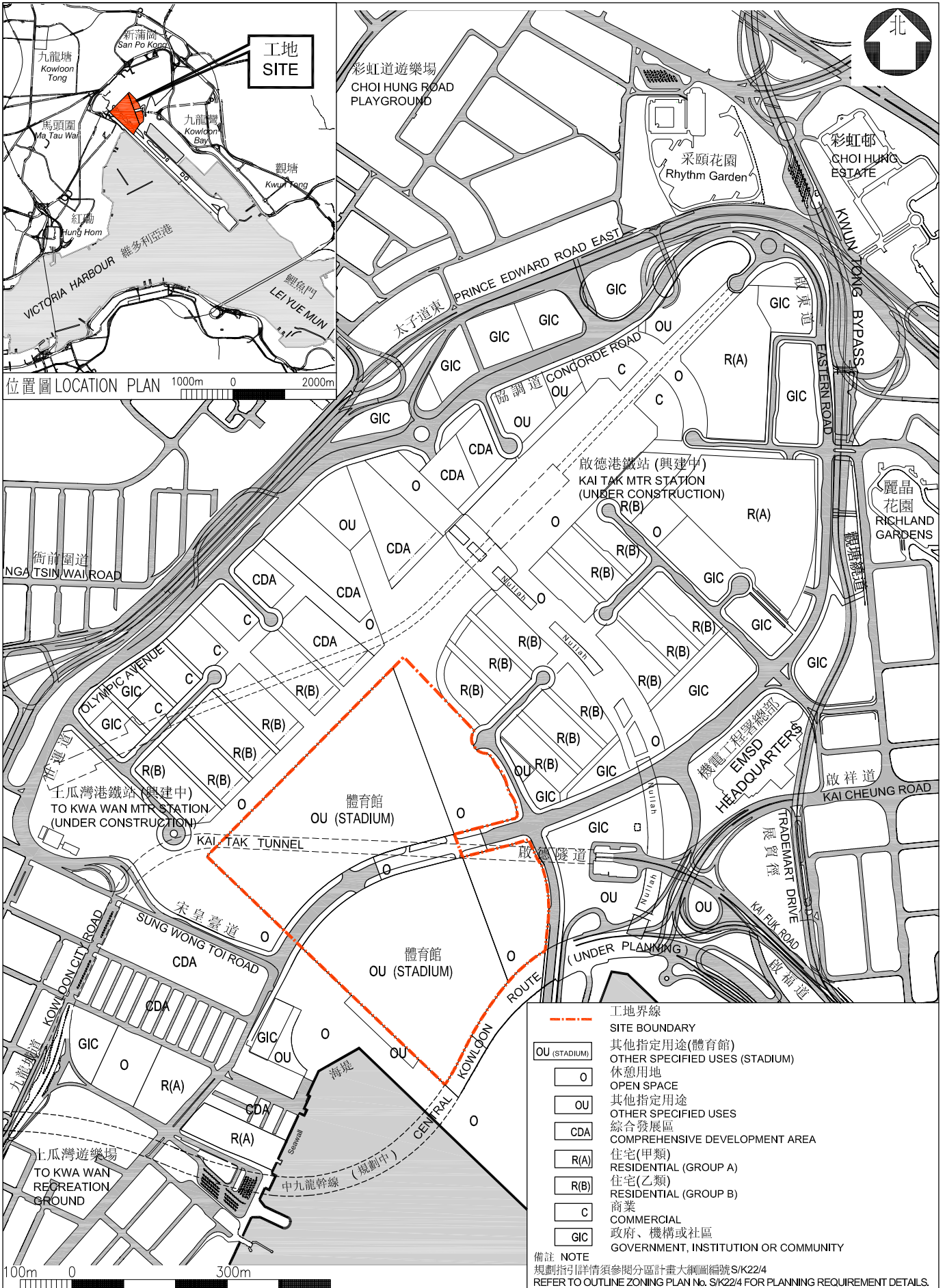
27. We will include the necessary provision in the draft Estimates of the relevant financial years to meet the cost of this proposal.

#### **Advice Sought**

28. Members are invited to note the content of this paper and comment on the development of the MPSC at Kai Tak as well as the staffing proposal presented in this paper. Subject to Members' support, we will seek the approval of the PWSC and the Establishment Subcommittee (as appropriate) and the FC for funding the pre-construction works for the MPSC and the creation of the proposed supernumerary AOSGC post respectively.

**Home Affairs Bureau  
February 2014**





	工地界線
	SITE BOUNDARY
	其他指定用途(體育館)
	OTHER SPECIFIED USES (STADIUM)
	休憩用地
	OPEN SPACE
	其他指定用途
	OTHER SPECIFIED USES
	綜合發展區
	COMPREHENSIVE DEVELOPMENT AREA
	住宅(甲類)
	RESIDENTIAL (GROUP A)
	住宅(乙類)
	RESIDENTIAL (GROUP B)
	商業
	COMMERCIAL
	政府、機構或社區
	GOVERNMENT, INSTITUTION OR COMMUNITY
備註 NOTE	
規劃指引詳情須參閱分區計畫大綱圖編號 S/K22/4	
REFER TO OUTLINE ZONING PLAN No. S/K22/4 FOR PLANNING REQUIREMENT DETAILS.	

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MULTI-PURPOSE SPORTS COMPLEX (MPSC) AT KAI TAK  
啟德體育園區

SITE PLAN 工地平面圖

## **Summary of Findings of Procurement and Financing Study**

### **Introduction**

In 2013, the Government commissioned PricewaterhouseCoopers Advisory Services Limited (PwC) to develop and assess detailed procurement and financing options for the Kai Tak Multi-purpose Sports Complex (MPSC) in order to help identify the best way of procuring and funding the project.

#### *Objectives and scope of the study*

2. The main aim of the study was to assess the cost of developing and running the MPSC under a range of procurement and financing options. The objectives of the study were –

- To advise the Government on the relative costs of viable procurement and financing options for the MPSC; and
- To inform the Government of the extent to which project risks could be allocated between the public and the private sector under the different procurement and financing options.

3. The scope of work involved –

- Analysing viable procurement and financing options for the MPSC
- Formulating financial models for the procurement and financing of the MPSC based on assumptions that take account of worldwide experience and the Hong Kong context (including the feedback received from HAB's invitation for non-binding Expressions of Interest (EOI) in the project);
- Providing an assessment of the potential project risks under the procurement and financing options for the MPSC, including their probability of occurrence and financial implications in dollar

terms. This was done through a two-day workshop conducted with key government stakeholders;

- Recommending potential mitigation measures for high-level risks under the identified procurement and financing options;
- Providing a detailed financial analysis of the “full costs” of the procurement and financing options, suitably adjusted to reflect different project risks; and
- Making a recommendation as to which options would offer the maximum benefits for the Government in terms of: achieving the Government’s vision and objectives for the project; the level of risk transfer; value for money; the Government’s financial commitment; ease of delivery of project; and timescale.

### **Procurement and financing options**

4. PwC considered the following options for the procurement and financing of the MPSC –

#### *a) Public Works Programme (PWP) options*

5. There are two broad categories under this option: Management Contract (MC); and Revenue Contract (RC). Under both of the PWP options, the design and construction and lifecycle maintenance costs would be funded by the Government. The options assume that the Government would enter into a milestone-based, fixed price, date-certain payment Design & Build (D&B) contract, and an operating contract with a private sector company to manage and operate the complex.

#### PWP Management Contract (MC).

6. Under this option, the Government would pay a service fee to a private sector company to manage and operate the MPSC, and all revenues from the operation of the complex would be paid to the Government. This would transfer part of the operating risk to the private sector, whilst the remaining operating risk and the construction risk, as well as long-term demand risk would be retained by the Government.

### PWP Revenue Contract (RC)

7. As with the PWP (MC) option, this option would involve the Government appointing a private sector company to manage and operate the MPSC. However, the Government would **not** pay a service fee to the company. Instead, the company would be responsible for the cost of operating the complex, and would receive all the operating revenues, which it would share with the Government according to an agreed formula. The Government and the private sector would therefore share the operating and demand risk. The commercial viability of managing the MPSC would depend on whether the net operating revenue would represent a reasonable return to the company.

#### *b) Private Sector Partnership (PSP) options*

### Design Build Finance Operate (DBFO)

8. Under this option, the Government would assign the development and operation of the project to the private sector, through a Special Purpose Vehicle (SPV) - typically a company formed by private sector companies with complementary skills to deliver the project, e.g., a construction firm, an event organiser and a facility management company. As well as designing, building and operating the facility, the SPV would raise the capital to finance the project through to commissioning. Upon commencement of commercial operations, which occurs after acceptance of the facility, the Government would begin making a series of payments (referred to as “Unitary Payments”) to the SPV to cover the whole-life-project cost including capital and operating expenditure and lifecycle costs.

### Partial Private Finance (PPF)

9. Under the PPF option, the private sector would provide equity and the Government would provide a loan to the SPV to finance part of the capital cost of the project. The SPV would raise the remainder of the debt requirement from the private sector. With Government providing a portion of project debt, this offers a level of support and comfort to private sector lending organisations. Under this option, the Government is exposed to project risks typically borne by debt providers, such as performance risk during construction and operation.

## Joint Venture (JV)

10. The JV option considered in this study would require joint equity from the Government and the private sector to fund the full project cost. Under this JV option, no debt will be taken on. A JV company would be formed by the Government and the private sector party, which would be responsible for designing, building and operating the facility. This option allows the Government to transfer part of the project risk to the private sector. However, as the major shareholder, the Government would retain the greater proportion of the risk. Given that the private sector and the Government might have inherently different objectives for the project, careful stakeholder management is required.

### *c) Commercial procurement option*

11. Under this option, the Government would lease the land to a private sector company that would use its own resources to finance, build and operate the MPSC. The company would receive all the revenue from operating the MPSC. The viability of this option depends on whether the net operating revenue represents a reasonable return on the risk associated with financing, building, operating and maintaining the MPSC. PwC's financial analysis concluded that it is highly unlikely that this option would succeed, as the capital cost of the project would far outweigh the net revenues that the MPSC could generate.

## **Financial analysis of the options**

12. Having determined that the commercial procurement option would not be financially viable, PwC then analysed each of the remaining options. First, PwC prepared financial models for each of the options under consideration, producing a set of base costs using a set of assumptions agreed with the Government, with monetary figures at fourth quarter of 2012 price levels. These included assumptions that -

- Construction would start in April 2016, with a concession term of 30 years (covering both the construction and operating period) up to March 2046

- Construction time would be 42 months
- Construction costs, based on comparable figures for sports facilities in Hong Kong and other jurisdictions and the Government's Technical Feasibility Statement would be HK\$18.3 billion, not including construction contingencies
- Maintenance and lifecycle costs would be respectively 2.5% of annual net operating revenue and 1% of total construction cost per annum
- The Internal Rate of Return on equity (applicable to the DBFO and PPF options) would be 13%

As part of the study, PwC also conducted a two-day risk workshop to determine the probability of the occurrence of identified risks, and impact of such risks on costs or revenues. Finally, they applied risk adjustments to the base costs, taking into consideration the values of risks retained by the Government. For ease of comparison, the costs are quoted in Net Present Value (NPV) terms as at April 2016, when it is assumed that construction will start on the MPSC. The nominal figures are discounted at a rate of 7.64%.

*Findings of the analysis*

13. When conducting the financial analysis PwC used as far as possible published and official information. Where this was not possible, they used estimates based on available information. This was supplemented with relevant information from the EOI responses. A more accurate estimate for the project can only be obtained after the Government has issued the tender for the project and received fee proposals from the market. With this in mind, the results of the analysis are set out below –

Base Costs

	PWP(MC)	PWP(RC)	DBFO	PPF	JV
Base cost to the Government (discounted to NPV) (HK\$ billion)	<b>\$33.54</b>	<b>\$34.38</b>	<b>\$34.08</b>	<b>\$36.39</b>	<b>\$34.13</b>

PwC found that the base cost to the Government was within a relatively narrow range (2.4%) for each of the financing options, with the exception of the PPF option, which was 5.8% more expensive than the next lowest cost option.

### Total Risk-Adjusted Costs

	PWP(MC)	PWP(RC)	DBFO	PPF	JV
Total cost to the Government (risk-adjusted) (HK\$ in billion)	<b>\$45.91</b>	<b>\$44.66</b>	<b>\$40.06</b>	<b>\$44.50</b>	<b>\$46.85</b>

PwC found that the DBFO option could result in a saving to the Government when compared to the other financing options. This saving comes about mainly by assuming that the Government could “transfer” the risk of variations in design during the design and construction stage of the project to the private sector. The risk-adjusted costs of the other options were in a relatively narrow range (5%).

### **Qualitative and quantitative assessment and recommendations**

14. In conducting their final assessment, PwC took account not only of the findings of the financial analysis of the various options identified, but also other criteria relating to the objectives of the MPSC project. In particular, the consultants noted the importance of the project being able to meet the Government’s objectives in terms of sports development policy for Hong Kong, and the need to work to a time-scale that would allow for the timely delivery of the project in view of the needs of the sports sector and the wider community. A table showing the key criteria adopted and a summary of the assessment is shown below.

<b>Assessment Criteria</b>	<b>Summary of Assessment</b>
Ability to achieve the Government’s vision and objectives	Each of the options can include mechanisms to incentivise the private sector to address the Government’s vision and objectives, whilst bringing in private sector innovation and optimising commercial opportunities. The PSP

Assessment Criteria	Summary of Assessment
	options would be more likely to incentivise the private sector to maximise revenue streams. The JV option might present a challenge if the Government and its private sector partner had competing priorities in terms of management and operation of the MPSC.
Level of risk transfer	The DBFO option achieves maximum risk transfer in NPV terms, whilst the PPF option necessitates the Government retaining the majority of the project risks. As the key equity provider to the MPSC project under the PWP and JV options, the Government would assume key project risks that the private sector would take on under the DBFO option.
Government's financial commitment	The PWP (MC) option offers the lowest Base Cost to the Government discounted to NPV based on the financial models.
Delivery of project and timescale	The PSP options can result in a shorter project delivery timeline from feasibility to operation because the private sector operator takes full responsibility for the construction and operation, and the risk of delay sits with the private sector.

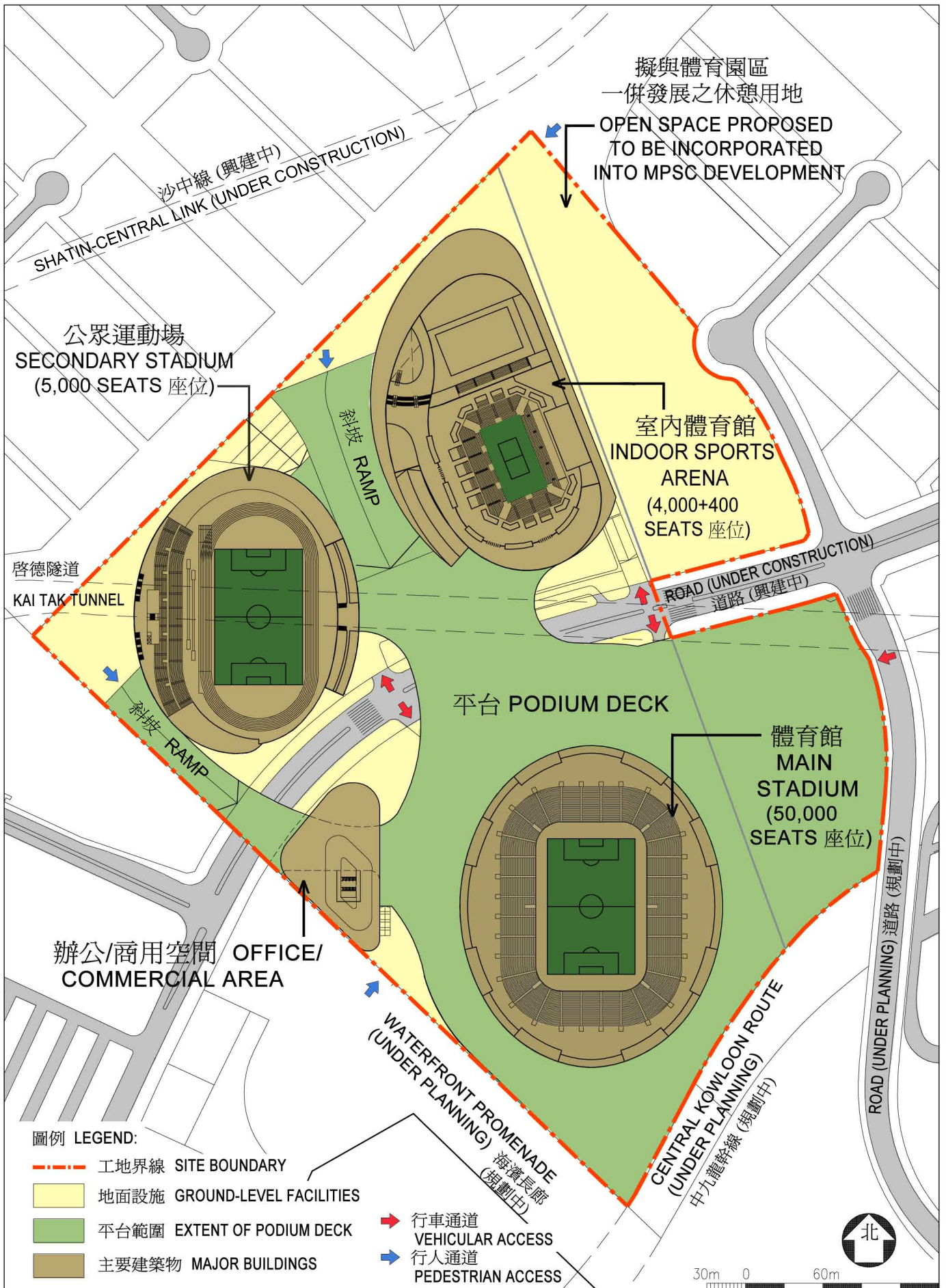
*Recommendations*

15. Based on its financial analysis and assessment, PwC recommended the DBFO financing option offering the greatest potential financial benefits, assuming that the criteria all carry the same weight. However, the consultants also recognised that despite the assessed potential financial upside of the DBFO approach, the Government would also need to consider additional factors when deciding on the most appropriate financing option, for example –



- The PWP options would allow the Government to “ring-fence” itself against unfavourable market conditions
- The PWP options would also allow the Government to retain full project control and accept the associated project risks in order to meet the social and policy objectives of the project.
- The Government has very limited experience of using the DBFO option for financing major infrastructure in Hong Kong, whereas the PWP approach represents a “tried and tested” option
- The PSP options typically involve complex legal and financing structures that would require additional scrutiny by the Government.

16. PwC further recommended that if the Government decided to adopt one of the PWP options, taking an integrated Design, Build and Operate (“DBO”) approach to the procurement of the project would be preferable to having separate consortia design, build and operate the complex. Integrating the design, build and operations into a single contract incentivises the contractors to work together and manage interface issues. This helps to ensure that the facility is designed and constructed with an understanding of how the operator intends to operate the MPSC to achieve efficiency and maximise revenue streams. The DBO approach also seeks to minimise conflict between the design, construction and operation phases of the project and allows the Government to manage the project more easily by having a single implementation agent rather than separate agents with different interests.



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MULTI-PURPOSE SPORTS COMPLEX (MPSC) AT KAI TAK  
啟德體育園區示意圖

INDICATIVE MASTER LAYOUT PLAN  
總綱發展示意圖

**Annex IV**

**Events held in Hong Kong Stadium - September 2012 to August 2013**

*Sports Events (27 days)*

<b>Event</b>	<b>Organizer</b>	<b>Number of days/matches</b>
First Division League	HKFA	8 days/8 matches
Senior Shield	HKFA	3 days/4 matches
FA Cup	HKFA	4 days/4 matches
Lunar New Year Cup 2013	HKFA	2 days/4 matches
EAFF Cup 2013 Preliminary Competition	HKFA	3 days/6 matches
Barclays Asia Trophy 2013	HKFA	2 days/4 matches
Man U Asia Tour 2013	HKFA	1 day/1 match
Hong Kong Sevens 2013	HKRFU	3 days/70 matches
Lions Hong Kong 2013	HKRFU	1 day/1 match

*Non-sports Events (5 days)*

<b>Event</b>	<b>Organizer</b>	<b>Number of days used</b>
Scout Rally	Scout Assn. of HK	1 day
Anniversary of EL SHADDAI 2012	DWXI (EL SHADDAI) Prayer Partners Foundation International Ltd.	1 day
Hong Kong and Kowloon Walk for Millions 2013	The Community Chest of Hong Kong	1 day
Closing Ceremony for the Year of Faith 2012	Catholic Diocese of HK Bishop's Office	1 day
English Alliance 2012/13 – “Create Our Own Reading Records!”	Education Bureau	1 day

**Responsibilities of the R&S Branch of HAB**

- (a) Formulating and implementing policies and strategies in liaison with government departments, sports organisations and other relevant bodies in line with the established policy objectives to promote sport for all, develop elite sport and upgrade Hong Kong's position as a venue for major international sports events;
- (b) Planning and coordination of territory-wide sports and recreation public works projects;
- (c) Providing policy input to land matters relating to sport;
- (d) Resource management of the Hong Kong Sports Institute in support of elite athlete development, including overseeing the Hong Kong Sports Institute Redevelopment Project;
- (e) Administration of the Arts and Sports Development Fund to projects and programmes that will promote sport in the community; encourage young people's involvement in sport from entry level to elite performance, in particular in team sports; allow local sports associations to host high quality international events; and ensure full support for Hong Kong athletes preparing for and participating in major international competitions;
- (f) Working with the Hong Kong Football Association, the Hong Kong Jockey Club and other stakeholders on a long-term sustainable strategy for the promotion and development of football in Hong Kong;
- (g) Supporting the work of the Sports Commission and its Committees;
- (h) Administration of the Sir David Trench Fund for Recreation; and
- (i) Housekeeping the Leisure Services Division of the Leisure and Cultural Services Department.

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**Job Description of  
Principal Assistant Secretary (Recreation and Sport) 2**

**Rank:** Administrative Officer Staff Grade C

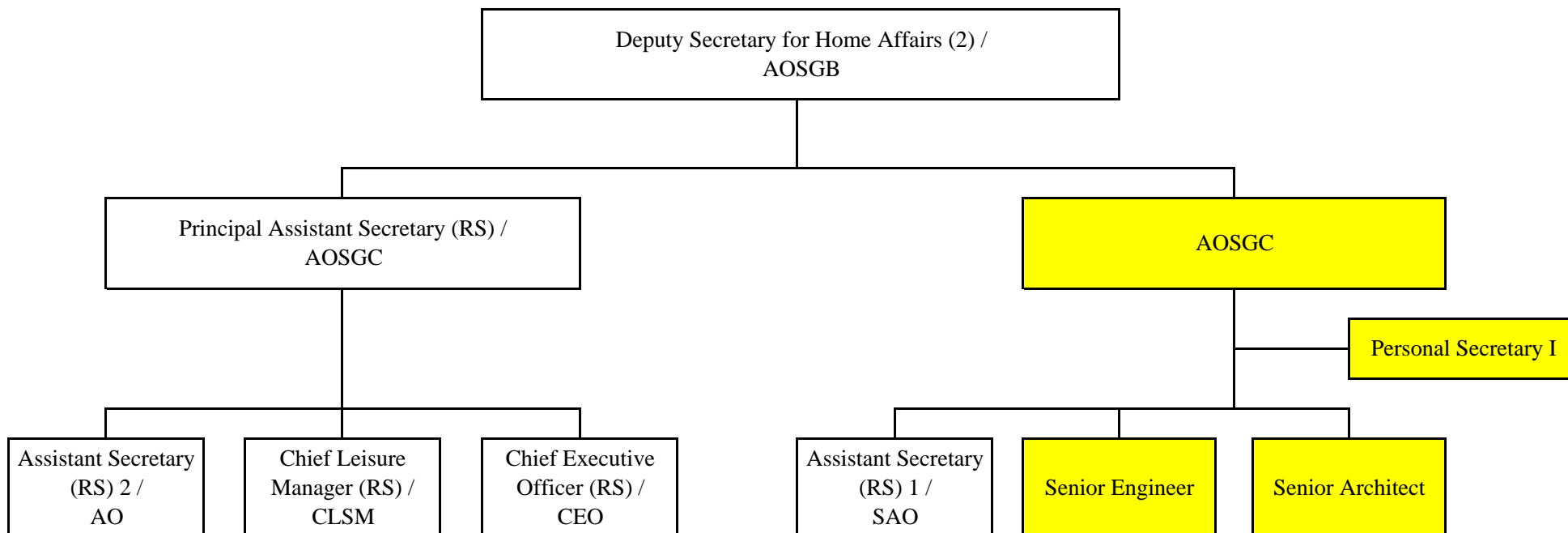
**Responsible to:** Deputy Secretary for Home Affairs (2)

**Main Duties and Responsibilities:**

1. To steer and coordinate with all parties concerned the detailed planning and implementation of the Multi-purpose Sports Complex (MPSC) project at Kai Tak;
2. To provide policy input and strategic analysis in relation to the development of the project, and to identify potential obstacles and recommend practical and timely solutions to senior officers;
3. To implement a procurement and financing plan that will help ensure the long-term viability and value for money of the MPSC;
4. To monitor the progress of master planning, design and construction to ensure timely delivery of the project and supervise the event planning for the various venues at the MPSC;
5. To monitor the implementation of schemes to allow greater public access to lessees' facilities under the terms of the Private Recreational Leases (PRL);
6. To follow-up on the recommendations of the comprehensive policy review on PRLs; and
7. To oversee the planning of new public sports facilities and other land matters relating to sports and recreational use.

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**Proposed Organisation Chart of the Recreation & Sport Branch**



Note: Proposed time-limited new posts are highlighted in yellow.

**Annex VIII**

**Duties and Responsibilities of  
the Other Principal Assistant Secretaries in the Home Affairs Bureau**

- (1) PAS(Civic Affairs)1 is responsible for youth matters (including subventions for the uniformed groups), Youth Square, Service Corps, Youth Hostel, civic education and national education outside schools, non-charitable fund-raising permits under the Summary Offences Ordinance, postage stamp policy, volunteerism policy and Neighbourhood Level Community Development Projects. The officer is also appointed as the secretary to the Commission on Youth and the Committee on the Promotion of Civic Education.
- (2) PAS(Civic Affairs)2 is responsible for legal aid and free legal advice policy matters, family matters, maintenance and wills. The officer is also responsible for housekeeping matters of the Legal Aid Department and subventions for the Duty Lawyer Service and the Legal Aid Services Council, and is appointed as the secretary to the Family Council.
- (3) PAS(Civic Affairs)3 is responsible for gambling policy, social enterprises policy, information policy, entertainment licensing, matters relating to public sector advisory and statutory bodies, liaison with religious bodies, and matters relating to the Board of Management of the Chinese Permanent Cemeteries and the Chinese Temples Committee. The officer is also responsible for the Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas, and the Secretary for Home Affairs Incorporated properties and trust funds, and is appointed as the secretary to the Betting and Lotteries Commission, the Ping Wo Fund Advisory Committee and the Social Enterprise Advisory Committee, as well as responsible for overseeing the operation of the public affairs forum.
- (4) PAS(Community Care Fund) is responsible for leading the Community Care Fund (CCF) Secretariat in taking forward the initiative of the CCF, liaising closely with relevant bureaux and departments as well as stakeholders on supporting the CCF Task Force and the Commission on Poverty, engaging the public and stakeholders in mapping out the assistance programmes under the CCF. The officer is also responsible for ensuring prudent deployment of funds from the CCF for meeting its



overall objective, and implementing the CCF programmes, in particular those which assist people who could not benefit from the Government's short-term relief measures.

- (5) PAS(Culture)1 is responsible for policy on arts and cultural software, funding and development of performing arts policy, the Arts Development Fund, subventions for major performing arts groups, and cultural exchange between Hong Kong and the Mainland, Macao and Taiwan (including the "Mainland/HK Closer Economic Partnership Arrangement" and the Hong Kong – Taiwan Cultural Co-operation Committee). The officer is also responsible for the Sub-committee on Funding for Performing Arts and the Sub-committee on Arts Education under the Advisory Committee on Arts Development; the arts portion and the portion related to the Hong Kong Arts Development Council of the Arts and Sport Development Fund; as well as housekeeping of the Hong Kong Arts Development Council and the Hong Kong Academy for Performing Arts.
- (6) PAS(Culture)2 is responsible for policies on public and private museums, public libraries, public art with regard to visual arts, planning of cultural and performance facilities of the Leisure and Cultural Services Department (LCSD), intangible cultural heritage and development of Cantonese Opera, as well as cultural exchange between Hong Kong and other countries. The officer is also responsible for matters relating to the Hong Kong Jockey Club Music and Dance Fund, the Lord Wilson Heritage Trust and the Hong Kong Arts Centre.
- (7) PAS(West Kowloon Cultural District) is responsible for monitoring the performance of the West Kowloon Cultural District Authority (WKCDA) in fulfillment of its objectives and roles as stated in the WKCDA Ordinance and overseeing the interface issues between arts and cultural facilities operated by WKCDA and those operated by LCSD, as well as liaising with WKCDA to oversee the institutional set-up and establishment of the governance mechanism for museum and performing arts venues. The officer is also responsible for monitoring the progress in planning of programmes and services by WKCDA for the opening of Phase 1 facilities in WKCD and overseeing WKCDA's policy and work in nurturing local arts talents, engaging stakeholders and building up audiences, as well as housekeeping of WKCDA.

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