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民政事務局

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27 April 2016

Clerk to the Finance Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn.: Mr Derek Lo)

Dear Mr Lo,

Finance Committee
Follow up to the Administration for Meeting on 22 April 2016

Regarding the item FCR(2016-17)4 / PWSC(2015-16)54 - "Development of Arts Space and a permanent office of the Hong Kong Arts Development Council at ex-Aberdeen Fire Station site" discussed at the Finance Committee meeting held on 22 April 2016, Members requested the Government to provide information relating to the Youth Square (YS). We now provide the relevant information in the ensuing paragraphs.

Accessibility

YS, situated in Chai Wan, is just a five-minute walk from the MTR Chai Wan Station. Visitors can reach YS conveniently by public transport from different parts of Hong Kong.

Usage Rates

Since the opening of the YS, the usage rate of the facilities in YS has been improving and the majority of its facilities are maintaining at high usage rates. Information relating to the usage of key facilities of YS for the five contract years from 2011-12 to 2015-16 (running from May to April of the following year) is as follows:

	2011-12	2012-13	2013-14	2014-15	2015-16 (up to January 2016)
Average usage rates					
Y Theatre	83.1%	84.2%	91%	89.6%	91.6%
Y Studio	71.5%	73.9%	80.9%	80.2%	79.6%
Office Units	99.7%	97.7%	100%	99.4%	100%
Retail Units	96.9%	81.6%	94.9%	99.4%	100%
Y Loft (Hostel)	80.7%	85.5%	87.6%	84.4%	86.1%

Financial Information

Financial information of the YS from 2011-12 to 2015-16 Financial Years is as follows:

	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Revised Estimate)
Expenditure	\$65.2 million	\$69.3 million	\$73.3 million	\$76.1 million	\$80.0 million
Revenue	\$38.9 million	\$40.9 million	\$45.0 million	\$43.6 million	\$42.1 million
Difference	\$26.3 million	\$28.4 million	\$28.3 million	\$32.5 million	\$37.9 million

YS is an important platform for the Government to pursue its youth development objectives. Its main purpose is to serve as a focal point for territory-wide youth development activities by providing diversified facilities and venues for hire by young people and youth organisations. Since youth development is a long-term and ongoing process, the effectiveness of YS should not be assessed only from a commercial angle or solely against a full-cost-recovery target. The Home Affairs Bureau (HAB) completed its consultancy review on the operation and positioning of YS in 2013. It is recommended in the consultancy report that YS should continue to serve as a focal point for youth development activities in Hong Kong and contribute to youth development by providing venues and facilities at affordable prices to the youth and youth organisations. The continued input of resources from the Government to YS is, therefore, both necessary and justifiable. Based on the consultant's financial analysis and YS's past operating experience, the consultant suggested that YS should strive to maintain a cost-recovery ratio of not less than 50%. The consultant's recommendations, which were endorsed by the Youth Square Management Advisory Committee, were reported to the Panel on Home Affairs of the Legislative Council in March 2014. Since 2011-12, the cost recovery ratio attained by YS has been above 50%.

Yours sincerely,



(Vincent Fung)
for Secretary for Home Affairs