

ITEM FOR FINANCE COMMITTEE

**Head 95 – LEISURE AND CULTURAL SERVICES DEPARTMENT
Subhead 700 General non-recurrent
New Item “2009 East Asian Games”**

Members are invited to approve the creation of a new commitment of \$123 million to provide financial support for the organisation and implementation of the 2009 East Asian Games.

PROBLEM

Hong Kong will host the East Asian Games (EAG) in 2009. The Government has to provide financial support for the event.

PROPOSAL

2. The Director of Leisure and Cultural Services (DLCS), with the support of the Secretary for Home Affairs (SHA), proposes to create a new commitment of \$123 million under Head 95 Leisure and Cultural Services Department Subhead 700 General non-recurrent to support the hosting of the 2009 EAG.

JUSTIFICATION

3. The EAG is a major international sports event in East Asia, and the members of the EAG Association are the People’s Republic of China, Hong Kong, Japan, Korea, Macau, Mongolia, Democratic People’s Republic of Korea, Chinese Taipei and Guam.

/4.

4. By hosting the 2009 EAG, we seek to –
- (a) raise the profile of HKSAR in the region;
 - (b) promote our image as a world city for hosting international events;
 - (c) foster the development of our sports standard and culture;
 - (d) promote tourism; and
 - (e) create job opportunities.

Encl. 1 A brief description of the scale of the EAG is at Enclosure 1.

5. At its meeting held on 18 July 2003, the Finance Committee (FC) accepted in principle the financial implications of \$84 million for providing government subsidy to meet the operating deficit for hosting the 2009 EAG with a total operating budget of \$171 million and agreed that Hong Kong should make a bid for hosting the event. The Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) subsequently submitted the bid to the EAG Association and won the hosting right for the 2009 event.

Progress

Encl. 2 6. SHA has appointed a Planning Committee comprising representatives from the Government, the SF&OC and various sectors of the community since June 2004 to oversee the planning and preparation of the event. The membership of the Planning Committee is at Enclosure 2. Drawing reference from the institutional set-up for organising major sports games elsewhere, including the 2004 Athens Olympic Games, the 2001 Osaka EAG and the 2005 Macau EAG, we have formed an executive arm for the implementation of the Games in the form of a registered company limited by guarantee, the 2009 East Asian Games (Hong Kong) Limited (the EAG Company). The EAG Company is managed by a Board of Directors drawn from the Planning Committee and appointed by SHA. The list of Board Directors is at Enclosure 3. The Chairman and Vice-chairman of the Planning Committee are also the Chairman and Vice-chairman of the Board of Directors.

Encl. 3

7. The Government, the SF&OC and the EAG Company will enter into a tripartite agreement on the delivery of the EAG after obtaining formal funding approval from the FC, specifying the respective commitments and obligations for organising the event. In broad terms –

/(a)

- (a) the Government will undertake to adopt appropriate measures to facilitate the hosting of the event in Hong Kong, including the provision of appropriate venues and facilities, encouraging community support and participation, and seeking approval from the Legislative Council (LegCo) for funding to support the event;
- (b) the SF&OC will co-ordinate with the sports sector and the EAG Association to agree on the competition items and to oversee the smooth and orderly organisation of the event in accordance with the relevant and prevailing rules and standards; and
- (c) the EAG Company will be responsible for the organisation, implementation and delivery of the event.

Updated Operating Budget

8. When we prepared in 2003 the operating expenditure estimate of \$171 million for the 2009 EAG, it was immediately after the outbreak of the Severe Acute Respiratory Syndrome. In view of the economy at that time, the assessment was that the 2009 EAG could be organised in a modest manner. The previous estimates were prepared against that background.

9. Having been granted the hosting right, we have studied the implementation of major sports games held elsewhere, particularly the 2005 Macau EAG and have sought the detailed advice of the sports sector. We have now updated the operating budget for hosting the event in 2009 to reflect the plan of holding some 17 to 20 competition items, a figure comparable to the 2005 EAG in Macau. The list of sports items selected for the last four EAG is at Enclosure 4.

Encl. 4

10. As a result of a comprehensive study on the operational requirements of hosting the EAG, we estimate that the operating expenditure for the 2009 EAG should be adjusted from \$171 million to \$240 million. The key areas for adjustment are set out below –

/(a)

- (a) **staffing and administrative costs** – we have to adjust the provision from \$58 million to \$75 million as some of the posts of the EAG Company have to be created earlier than originally anticipated to facilitate planning and preparatory work. We also have to account for the cost (including on-costs) of civil servants on secondment to the EAG Company;
- (b) **accommodation and catering cost for athletes and delegate members** – we have to adjust this from \$8 million to \$15 million to reflect the latest plan to host the event in November/December rather than May. The period of November/December is within the high season for tourism and hotels;
- (c) **competition event cost** – we have to adjust this from \$19 million to \$26 million to reflect the higher estimates for preparatory work for each of the competition events and venues;
- (d) **provision for opening and closing ceremonies** – the two ceremonies will be widely covered by media from all participating EAG member places and are crucial to the entire sporting event. We have adjusted the estimate from \$25 million to \$35 million to reflect the more realistic requirements for organising programmes for comparable international sporting events; and
- (e) **provision for the annual EAG Association meetings and a 5% contingency** – we would need some \$16.5 million to cater for these two items which were not covered in the original estimate. A 5% contingency is modest.

11. Under the EAG operating budget, government subsidy and community/commercial sponsorship are the two major sources of revenue. The anticipated increase in operating expenditure (by \$69 million) will have to be largely met by corresponding increases in government subsidy as well as community/commercial sponsorship. Under the previous budget of \$171 million, government funding support of \$84 million was around 50% of the total. With the anticipated increase in operating expenditure, we propose to adjust the estimate on government funding support from \$84 million to \$123 million (up by \$39 million) and that on community/commercial sponsorship from \$30 million to \$50 million (up by \$20 million). This will maintain government funding support at around 50% of the overall operating budget as before. We also envisage a small increase in other revenue streams by \$10 million.

/FINANCIAL

FINANCIAL IMPLICATIONS**Projected Expenditure**

12. We estimate that the gross expenditure for hosting the 2009 EAG would be \$240 million, broken down as follows –

	\$ million
(a) Staff	60
(b) Administration	15
(c) Information technology facilities and equipment	12
(d) Broadcasting cost	20
(e) Accommodation and catering	15
(f) Competition event cost	26
(g) VIP hospitalities	8.5
(h) Transportation	4
(i) Publicity	10
(j) Opening and closing ceremonies	35
(k) Security	10
(l) Volunteers	8
(m) EAG Association meetings	5
(n) 5% Contingency	11.5
Total	240

Encl. 5

The updated and the previous estimates accepted by the FC in 2003, with details on the revised expenditure estimate, are set out at Enclosure 5.

/Projected

Projected Revenue

13. We expect the gross revenue to be generated from hosting the 2009 EAG to be \$117 million, broken down as follows –

	\$ million
(a) Community/commercial sponsorship	50
(b) Television rights	12
(c) Ticket sales	28
(d) Licensing and merchandising	15
(e) Charged accommodation	8
(f) Other income	4
Total	117

Encl. 6

The revised and the previous revenue estimates with details are set out at Enclosure 6.

Encl. 7

14. The updated cash flow based on the revised expenditure and revenue estimates for organising the event is at Enclosure 7. Taking into account the cash flow requirement for the projected expenditure and the flow of revenue, the Government will have to provide advances to the Company to enable it to meet the funding requirements for the Event.

15. It should be noted that the estimated expenditure of \$240 million has not included the hiring charges of \$6.7 million for using government venues for staging the opening and closing ceremonies and the competition events (it was estimated at \$5 million in the 2003 submission to FC), and the hiring charges of \$7.6 million¹ for provision of office accommodation (of about 600 square metres) of the EAG Company (by conversion of six squash courts at the Hong Kong Squash Centre). The total hiring charges to be waived are estimated at \$14.3 million.

/Cost

¹ The figure estimated is based on squash court hiring charge for 16 hours per day (100% utilisation rate) and for a continuous period of four years. The current utilisation rate of the squash courts is 41%.

Cost Control

16. DLCS, as Controlling Officer, will arrange for the disbursement of the subsidy and cash advance to the EAG Company to enable it to meet the expenditure for the organisation and implementation of the event. We will impose various financial control measures on the EAG Company, to be set out clearly in the tripartite agreement, to ensure that the funds approved by FC would be used in a cost-effective and accountable manner. We will require the EAG Company to keep proper records and accounts for the event and the Government will have unfettered access to these. Apart from the proposed government subsidy of \$123 million, we will expect the EAG Company to meet the operating costs of the event through revenues generated, including community/commercial sponsorship, ticket incomes, licensing and merchandising, television rights, etc. We will require the Company to use its best endeavours to economise on its expenditure, to live within the sums appropriated and to generate revenues for organising the EAG. We shall also seek the advice of the Independent Commission Against Corruption to draw up a code of conduct for the operation of the Company.

17. The EAG Company shall –

- (a) seek the endorsement of the Government on a “planned project budget” as soon as possible upon receipt of funding approval from the FC;
- (b) devise an internal cost control mechanism to the satisfaction of the Government to track and specify requirements for authorising cost or other variations to the “planned project budget”; and
- (c) prepare periodic budget updates for the scrutiny or approval as appropriate of the Government.

18. The EAG Company shall also submit annual audited statements and a final audited financial statement to the Government and the Planning Committee. Surplus funding from the event, if any, up to the amount of government subsidy provided and hiring charges waived, shall be returned to the Government.

/VENUE

VENUE PREPARATION

19. In the submission to the FC in 2003, we advised that no additional funds would be required to upgrade existing facilities for staging the EAG apart from the cost already included in the original estimate of the operating budget. However, since the successful bidding of the hosting right, we have consulted the sports sector and the District Councils and agree that the opportunity should be taken to upgrade our sports infrastructure on this occasion for the long-term sports development of Hong Kong.

20. We have carried out a re-assessment on venue upgrading works required based on sports items which were held in previous EAG and possible items to be included in the 2009 EAG. Where appropriate, we have advanced certain major replacement works of the venues concerned so as to tie in with the hosting of the EAG in 2009. The total estimated capital cost for the proposed venue improvement works is around \$770 million. The scope of the improvement works with details is set out at Enclosure 8. We will submit the funding applications on the improvement works to the Public Works Subcommittee and the FC as soon as the necessary pre-construction preparation is completed.

Encl. 8

ECONOMIC BENEFITS

21. The quantifiable economic benefits of hosting the 2009 EAG can be assessed in terms of the value added contribution to Gross Domestic Product arising from additional spending induced by the event. This is estimated to amount to around \$75 million in 2005 prices. It is estimated that the number of tourists that could be induced by the event is about 5% of the estimated spectators, i.e. around 10 000. The venue improvement works will also generate employment of 10 900 man-months. The EAG Company in full operation will employ around 100 staff for the organisation of the event. Apart from quantifiable economic benefits, there will be wider benefits not readily quantifiable, mainly in raising the image of Hong Kong as a sports events capital, and improvement to our sports venues which will benefit the community and enable Hong Kong to host more international sports events in future.

/CONSULTATION

CONSULTATION WITH LEGISLATIVE COUNCIL PANEL

22. We have briefed the LegCo Panel on Home Affairs on the progress of the preparation for hosting the 2009 EAG, including the updated operating expenditure and the revised government subsidy to support the organisation of the event. Except one member, the Panel in general supported the submission of the funding proposal to FC for further consideration.

BACKGROUND INFORMATION

23. We have consulted the EAG Planning Committee and it supports our funding proposal. We have also presented the work progress on the 2009 EAG to the Major Sports Events Committee under the Sports Commission. We have separately briefed the 18 District Council Chairmen and Vice Chairmen on the holding of the 2009 EAG, in particular on community involvement. We will continue to engage the District Councils and promote community support for hosting the 2009 EAG.

Home Affairs Bureau
January 2006

The scale of the East Asian Games (EAG)

The scale of the EAG is broadly as follows –

Duration :	about ten days;
No. of competition events :	about 13-20 sports;
No. of participating places :	Nine (the People's Republic of China, Hong Kong, Japan, Korea, Macau, Mongolia, Democratic People's Republic of Korea, Chinese Taipei and Guam);
No. of athletes and delegate members :	about 2 300; and
No. of media representatives :	about 300.

Membership of the East Asian Games Planning Committee

Patron : Hon. Donald TSANG Yam-kuen, GBM
Chief Executive of the Hong Kong Special Administrative Region

President : Dr. Patrick C. P. HO, JP
Secretary for Home Affairs

Chairman : Hon. Timothy FOK Tsun-ting, GBS, JP

Vice-Chairman : Ms. Anissa WONG Sean-yee, JP
Director of Leisure and Cultural Services

Members : Mr. John CHAN Cho-chak, GBS, JP

Mr. David CHAN Pun

Mr. Philip CHEN Nan-lok, SBS, JP

Ms. Clara CHONG Ming-wah

Mrs. Vivien FUNG LAU Chiang-chu, JP

Mr. Victor HUI Chun-fui, MBE, SBS, JP

Mr. Herman HU Shao-ming, JP

Mr. Karl C L KWOK

Mr. Raymond OR Ching-fai, JP

Mr. Lawrence YU Kam-kee, MBE, BBS, JP

Ms. Lolly CHIU Yuen-chu, JP
Deputy Secretary for Home Affairs

Director of Home Affairs or her representative

Director of Information Services or her representative

Commissioner for Tourism or her representative

Director of Architectural Services or his representative

Secretary-General : Mr. PANG Chung, BBS
Secretary General, Sports Federation & Olympic Committee of
Hong Kong, China

Mr. Alan SIU Yu-bun, JP
Deputy Director of Leisure and Cultural Services

Board of Directors of the 2009 East Asian Games (Hong Kong) Limited
(Period of appointment : 7 April 2005 to 31 March 2007)

Chairman : Hon. Timothy FOK Tsun-ting, GBS, JP

Vice-Chairman : Ms. Anissa WONG Sean-yee, JP

Directors : Mr. John CHAN Cho-chak, GBS, JP

Mr. David CHAN Pun

Mr. Philip CHEN Nan-lok, SBS, JP

Mr. Victor HUI Chun-fui, MBE, SBS, JP

Mr. Raymond OR Ching-fai, JP

Mr. PANG Chung, BBS

Ms. Lolly CHIU Yuen-chu, JP

Mr. Alan SIU Yu-bun, JP

Mr. POON Tai-ping, Eddie

Miss Olivia CHAN Yeuk-oi

Secretary : Ms. Eva LEE Shuk-ching
(Not a Director)

Competition Events of the East Asian Games

Sports	1 st EA Games (Shanghai-1993)	2 nd EA Games (Pusan-1997)	3 rd EA Games (Osaka-2001)	4 th EA Games (Macau-2005)
Athletics	√	√	√	√
Aquatics	√	√	√	√
Badminton	√	√		
Basketball	√	√	√	√
Bowling	√	E	√	√
Boxing	√	√	√	
Dance Sport				√
Dragon Boat				√
Football	√	√	√	√
Gymnastics	√	√	√	√
Handball			√	
Hockey			D	√
Judo	√	√	√	
Karatedo				√
Rowing	√	D	D	√
Shooting				√
Soft Tennis	D	√	√	√
Taekwondo		√	√	√
Tennis				√
Volleyball			√	
Weightlifting	√	√	√	√
Wrestling		√	√	
Wushu	√	√	√	√
No. of sports	12 + 1D	13 + 1D + 1E	15 + 2D	17

D – Demonstration sport

E – Exhibition sport

Revised Estimated Expenditure for hosting the 2009 EAG

Expenditure items	Previous Estimate Accepted by Finance Committee \$ million	Updated Estimate \$ million
(a) Staff	50	60
(b) Administration	8	15
(c) Information technology facilities and equipment	10	12
(d) Broadcasting cost	20	20
(e) Accommodation and catering	8	15
(f) Competition event cost	19	26
(g) VIP hospitalities	5	8.5
(h) Transportation	4	4
(i) Publicity	8	10
(j) Opening and closing ceremonies	25	35
(k) Security	10	10
(l) Volunteers	4	8
(m) EAG Association meetings	-	5
(n) Contingency	-	11.5
Total	171	240

2. On **staff cost**, we have assumed that the EAG Company will operate with around 20 staff initially rising to around 100 in 2009, having regard to the operational experience in Macau EAG. The estimate is adjusted from \$50 million to \$60 million as we need to establish some of the posts earlier than originally anticipated and recover the costs (including on-costs) for secondment of civil servants to the EAG Company.

3. On **administration cost**, the original estimate of \$8 million was set at 10% of the \$85 million administration cost assumed for bidding for the 2006 Asian Games. We now plan to set up an office of about 100 staff and consider \$15 million to be a more realistic estimate. This comprises \$11.6 million on general administration expenses, \$1.4 million on office inventory and \$2 million for engagement of legal services, auditor, etc. The estimate is made on the basis of the administration expenses for a government office of about the same size.

/4.

4. On **information technology and equipment cost**, the estimate is slightly increased from \$10 million to \$12 million to cater for –

- (a) the setting up a Central Information Centre at LCSD venue;
- (b) the design and setting up of a communication network linking up the Central Information Centre and different competition venues;
- (c) the setting up of an information retrieving system for each of the competition venues (20 venues assumed);
- (d) the installation of tele-communication system, fax machines, photocopying machines, etc. at the Central Information Centre and the competition venues; and
- (e) the development of a tailor-made application software and system for EAG.

5. On **broadcasting cost**, the estimate is kept at \$20 million which comprises \$10 million for using LCSD venue for setting up a broadcasting centre, and \$10 million for engaging a host broadcaster to produce TV pictures and provide feeds to overseas TV stations (assuming that there will be 20 sports items, with around 120 competition days, and the TV production cost for each sport is about \$80,000 per day, the estimated cost is around \$10 million).

6. On **accommodation and catering**, the estimate is raised from \$8 million to \$15 million as the EAG will be held in November/December which is a high season for tourism and hotels instead of May. The estimated cost for providing accommodation and catering services for 2 000 athletes and 300 delegate members is as follows –

Hotel accommodation/head/night	\$500
Catering/head/day	\$150
Average period of stay	10 days
Total estimated cost	\$15 million

7. On **competition event cost**, while major upgrading works of sports venues will be dealt with under the capital works programme, the estimated provision in the operating budget of \$26 million is to deal with preparation of venues and provision of temporary facilities, e.g. sports equipment, and for the National Sports Associations concerned to organise individual sports competition events. It also includes an estimate of \$3 million to provide medical services for participants of the EAG and to transport doping samples daily to Beijing which is the nearest location in the region to provide recognised doping analysis service.

8. On **VIP hospitality**, we have estimated that there will be 200 VIPs attending the EAG and the cost for providing accommodation, transport and associated hospitality is as follows –

No. of VIPs	200
Hotel accommodation/head/night	\$2,000
Catering/head/day	\$500
Average period of stay	7 days
Transportation (hire of saloon car/day)	\$2,000
Total estimated cost	Around \$6.5 million

We have also estimated \$2 million for the associated hospitality to VIPs attending the annual EAG Association meeting to be held in Hong Kong as from 2006.

9. On **transportation**, the estimate remains at \$4 million, assuming –

- (a) \$2 million is required for the engagement of 60 coaches every day with daily charge of \$3,000 for 10 days to deal with 2 300 athletes and delegate members; and
- (b) \$2 million is required for coaches to transport officials and volunteers between competition venues.

10. On **publicity**, the estimate is increased from \$8 million to \$10 million to strengthen the effect. The Government will work closely with the EAG Company to promote the event.

11. On the **opening and closing ceremonies** which will be widely covered by media from all participating EAG member places and are crucial to the entire sporting event, the estimated cost is increased from \$25 million to \$35 million to reflect the more realistic requirements for organising programmes for comparable international sporting events.

12. On **security**, the estimate remains at \$10 million. The host city is required to provide adequate security for the athletes and officials, as well as the VIPs, and to maintain crowd control during the event. When bidding for the 2006 Asian Games, an estimate of \$50 million was made for security. With the smaller scale for EAG, an estimate of \$10 million is thus made.

13. On **volunteers**, the estimate is raised from \$4 million to \$8 million to cover the cost for recruitment, clothing, training and travelling expenses of volunteers. We aim to recruit more volunteers than originally estimated so as to enhance community participation in the event.

14. On provision for the **EAG Association meetings**, \$5 million is estimated for organising the EAG Association annual meeting for the member places in Hong Kong from 2006 to 2009 after Hong Kong has taken over the hosting right of the EAG. The estimate will cover the logistics and publicity for the meetings.

15. On **contingency**, \$11.5 million is assumed, representing 5% of the subtotal expenditure.

Revised Revenue Estimate for hosting the 2009 EAG

	Revenue items	Previous Estimate Accepted by Finance Committee \$ million	Updated Estimate \$ million
(a)	Community/commercial sponsorship	30	50
(b)	Television rights	25	12
(c)	Ticket sales	10	28
(d)	Licensing and merchandising	10	15
(e)	Charged accommodation	8	8
(f)	Other income	4	4
	Total	87	117

2. **Sponsorship** will include contributions from major and minor community/commercial sponsors, official suppliers as well as advertising income at venues during the event activities, etc. The estimate is raised from \$30 million to \$50 million to meet the anticipated increase in operating expenditure.

3. We have revised the estimate on **television rights** from \$25 million to \$12 million in view of the income from such source at the Macau 2005 EAG. We have also taken into account Hong Kong's capability in launching a more attractive and strategic marketing plan to engage local and overseas broadcasters.

4. On **ticket sales**, we have raised the estimated revenue from \$10 million to \$28 million as we intend to set the average ticket price at \$100 instead of the previous estimate of \$40 (which is too conservative) for the competition events and have also raised slightly the estimated average ticket prices for the opening and closing ceremonies. Taking into account the range of ticket prices to be offered and the provision of concessionary prices for students and the elderly, we have assumed an average of around 40% of tickets sale for the competition events.

5. On revenue from **licensing and merchandising**, the estimate has been increased from \$10 million to \$15 million as we anticipate a better market in sports merchandising.

6. On **charged accommodation**, the estimate remains at \$8 million on the assumption that about 2 000 athletes and 300 delegate members will take part in the EAG with an average stay of ten days. It is the normal practice that the athletes and delegate members will be charged at a fixed rate of US\$50 per day, i.e. \$390 per day.

7. On **other income** to be generated from issue of stamps and coins and other fundraising initiatives, the estimate is kept at \$4 million.

**Estimated Cash flow Requirement for
the Organisation of the 2009 East Asian Games**

Year	Expenditure \$ million	Revenue \$ million	Estimated Cash flow \$ million
2005-06	1.50	1	0.50
2006-07	12.60	10	2.60
2007-08	23.15	11	12.15
2008-09	53.05	14	39.05
2009-10	147.70	81	66.70
2010-11	2.00	0	2.00
Total	240	117	123

Venue Preparation for the 2009 East Asian Games

Based on sports items which were held in previous East Asian Games (EAG) and possible items to be included in the 2009 EAG, we have carried out a re-assessment on venue upgrading works required and have worked out the scope of improvement works and the rough indication of costs for upgrading existing government venues. The improvement works required broadly include -

- (a) functional/competition requirements which are essential for the holding of the EAG and other international sports events. The works involved are mainly improvement of existing venues to provide supporting and ancillary facilities, including doping rooms, media rooms, enhancement to the lighting and ventilation standards to suit the latest competition items, addition of spectator stands and purchase of new equipment;
- (b) face-lifting and creative adaptive works to project a visible and coherent identity for the competition venues which will help showcase Hong Kong as the sports events capital in the region; and
- (c) upgrading and revitalisation works for the aging facilities. The opportunity is taken to rejuvenate aging facilities including the Hong Kong Coliseum, Queen Elizabeth Stadium, Kowloon Park Swimming Pool and Victoria Park Tennis Courts, etc. to bring them up to current day standard for the long-term needs of sports development in Hong Kong. These works are essential and the current arrangement only accelerates the programme to benefit the community earlier.

Appendix The details are set out at the Appendix. The total estimated capital cost for the proposed improvement works is around \$770 million. We have secured funding support for these works within the Government and will seek formal funding approval from the Public Works Subcommittee and the Finance Committee as soon as the necessary pre-construction preparation is completed.

2. Including the new Tseung Kwan O Sports Ground which is now being built with approved funding from the Legislative Council, the total capital cost involved for the proposed venue works would be over \$1 billion.

3. Selection of the competition items for the 2009 EAG is subject to discussion among the local sports sector and the endorsement of the EAG Association. At this stage, the list of improvement works is drawn up to provide essential improvements to key sports facilities, and these improvements would be able to accommodate a number of sports items and to provide for long-term sports development. Having consulted the EAG Planning Committee, we consider that the list of improvement works would be able to meet the core venue requirement for EAG.

4. These infrastructural improvements would benefit the local sports community and the public, enhance Hong Kong's long-term capacity for sports development and better prepare us to bid for and host international sports events in future, well beyond the 2009 EAG. The capital investment is considered worthwhile.

Venue Improvement Works for 2009 East Asian Games

Improvement works for existing sports venues

Venue	Additional Facilities/ Improvement Works	Capital cost \$ million	Possible sports items which can be held in the venue
1. Hong Kong Stadium (commissioned in 1994)	<ul style="list-style-type: none"> ● Thematic design to create a visible and coherent sports identity for holding international sports events; ● Face-lifting of the front-of-house and reception facilities; ● Refurbishment of hospitality and executive suites; ● Improvement to disabled facilities; ● Provision of covers to spectator seating at the corners of the Executive Suite Level which currently has no cover; ● Replacement of all directional signs; and ● Upgrading of reporter booth and addition of media facilities. 	43	Opening ceremony/Closing ceremony/Football
2. Hong Kong Coliseum (commissioned in 1983)	<ul style="list-style-type: none"> ● Thematic design to create a visible and coherent sports identity for holding international sports events; ● Overall refurbishment and face-lifting of the front-of-house and VIP reception facilities; ● Provision of IT facilities for media and broadcasting; ● Addition of flag raising facilities and prize presentation platform; ● Replacement of scoreboard; ● Replacement of all fixed arena seats (about 10 500 seats); ● Improvement to lighting systems; and ● Modification of existing facilities to provide doping control rooms, physiotherapy rooms and media rooms, etc. 	162.5	Basketball/Volleyball/ Closing ceremony

<p>3. Queen Elizabeth Stadium (commissioned in 1980)</p>	<ul style="list-style-type: none"> ● Thematic design to create a visible and coherent sports identity for holding international sports events; ● Overall refurbishment and face-lifting of all front-of-house and VIP reception facilities; ● Provision of IT facilities for media and broadcasting; ● Addition of flag raising facilities and prize presentation platform; ● Enhancement to existing air-conditioning system for staging racket competitions; ● Improvement to lighting systems; ● Provision of audio-visual equipment including replacement of the LED wall-mount scoreboard; and ● Provision of media and doping control facilities and function rooms, etc. 	<p>106.5</p>	<p>Badminton/Table tennis</p>
<p>4. Kowloon Park Swimming Pool (commissioned in 1989)</p>	<ul style="list-style-type: none"> ● Thematic design to create a visible and coherent sports identity for holding international sports events; ● Replacement of aging water heating, sterilisation and filtration systems; ● Upgrading of diving facilities for holding international diving events; ● Conversion of indoor leisure pool into a training/warm up pool for more efficient utilisation; ● Addition of multi-purposes function rooms and media facilities; ● Improvement of audio system; and ● Provision of temporary seating and a new trampoline room. 	<p>144.1</p>	<p>Aquatics</p>
<p>5. Victoria Park Tennis Centre (commissioned in 1981)</p>	<ul style="list-style-type: none"> ● Thematic design to create a visible and coherent sports identity for holding international sports events; ● Refurbishment of the tennis courts and renovation of the ticketing office and admission entrance; and 	<p>55.5</p>	<p>Tennis/Soft tennis</p> <p style="text-align: right;">/Renovation</p>

	<ul style="list-style-type: none"> ● Renovation and upgrading of supporting facilities including the provision of VIP room, media room, changing rooms and addition of toilets facilities for athletes, judges and spectators. 		
6. Ma On Shan Sports Centre (commissioned in 2004)	<ul style="list-style-type: none"> ● Thematic design to create a visible and coherent sports identity for holding international sports events; ● Overall face-lifting and refurbishment ; ● Improvement to lightings according to the latest requirement of the international sports federations; 	20.5	Wushu
7. Tseung Kwan O Sports Centre (commissioned in 2001)	<ul style="list-style-type: none"> ● Provision of temporary seating/spectator stands; ● Provision of IT facilities for media and broadcasting; ● Addition/ upgrading of multi-purpose function rooms such as VIP facilities, call room, doping control room; massage and medical room, offices and meeting rooms, etc; ● Addition of changing/ toilets facilities for athletes, judges and spectators; and ● Addition of flag raising facilities and prize presentation platform. (Common for items 6-13) 	30.5	Indoor Cycling/Karatedo
			/8.

<p>8. Western Park Sports Centre (commissioned in 1995)</p>		<p>77.5 (Including cost for replacement of scoreboard, increasing the number of seating from around 500 to 1500 and related provision for spectators such as improvement to air-conditioning system, sanitary facilities and addition of fire exits to meet statutory requirements after increase in seating)</p>	<p>Basketball/Indoor Cycling/ Wushu</p>
<p>9. Shek Kip Mei Park Sports Centre (commissioned in 1997)</p>		<p>30.5</p>	<p>Taekwondo/Judo</p>
<p>10. Lai Chi Kok Park Sports Centre (commissioned in 1983)</p>		<p>28.5</p>	<p>Weightlifting/ Judo/Taekwondo</p>
<p>11. Stanley Main Beach Water Sports Centre (commissioned in 2005)</p>		<p>23.5</p>	<p>Windsurfing</p>
<p>12. Siu Sai Wan Sports Ground (commissioned in 1996)</p>		<p>15.5</p>	<p>Football /13.</p>

13. Hong Kong Squash Centre (commissioned in 1986)		19.5	Squash
14. Hong Kong Squash Centre	Conversion and subsequent reinstatement of six squash courts as office of the EAG Company.	4.4	
Total :		762	
Say :		770	

The capital costs listed are ballpark figures and may be subject to changes upon further detailed study, site survey and design development.
