

9 January 2009

**Legislative Council Panel on Home Affairs
Hong Kong Centre for Youth Development**

Purpose

This paper updates Members on the latest development of The Hong Kong Centre for Youth Development (HKCYD) and provides background information on the objectives of establishing the HKCYD, its facilities and its management mode.

Objectives of Establishing the HKCYD

2. The Chief Executive announced in his 1998 Policy Address the construction of a central facility in Chai Wan to provide a focal point for youth development work and activities. As a territory-wide facility, HKCYD would provide a variety of facilities and venues for promoting youth development activities, so as to raise the quality of youth and to nurture them as leaders in the society. Through the facilities of the HKCYD, such as facilities for staging performances and hostel, we could facilitate youth exchanges and strengthen their communication and exchange with youth from the Mainland and overseas. Youth organisations and non-government organisations will also have the opportunity to make use of these facilities in organizing activities.

3. In March 2005, the Finance Committee of the Legislative Council agreed that the Government proceeded with the construction of the superstructure works of the HKCYD. The works commenced in June 2005 and was completed in November 2008. The total capital cost of the HKCYD is estimated at \$750.9 million, including a \$200 million donation from the Board of Management of the Chinese Permanent Cemeteries.

Facilities of the HKCYD

4. The HKCYD is situated at the junction of Chai Wan Road and

Wan Tsui Road and is connected to the Chai Wan MTR Station via a footbridge. It comprises a Main Block (15 levels above the basement auditorium) and a Hostel Block (12 storeys) with a total gross floor area of about 40,000 square metres. The key facilities of the HKCYD include:

(a) Main Block

- an auditorium;
- an exhibition platform;
- a multi-purpose hall for various purposes including theatrical performances, exhibition gallery, receptions/dining;
- a cafeteria;
- 2M/F, 3/F and from 5/F to 9/F of the Main Block can serve as exhibition area, multi-purpose function rooms, retail shops, civic education resource centre, and offices;

(b) Hostel

- 150 hostel rooms located at 10/F to 12/F of the Main Block and the Hostel Block.

Management Mode

5. In March 2005, when the Finance Committee considered the construction of the superstructure works of the HKCYD, Members discussed how the management and operation arrangement of the HKCYD could better serve its youth development objectives and agreed that the restriction that the HKCYD should operate as a limited company and on a self-financing basis could be relaxed. The Government would directly take up the responsibility of managing and operating the HKCYD by funding the necessary recurrent expenditure, and HAB would strive to achieve full cost recovery by making every effort to operate the HKCYD in a cost-effective manner. In the event that the HKCYD incurs an operating deficit, HAB would cover the deficit through internal redeployment of resources or public donations. HAB would engage management and services contractors through open tenders for the day-to-day management and operation of the HKCYD premises and its various facilities. The Government would collect all incomes generated and closely monitor the performance of the services contractors. HAB will set up a management advisory committee to advise the Government on the overall strategy and objectives of the HKCYD, the themes and contents of youth development programmes, monitoring of the performance of the services contractors, as well as the use and allocation, the leasing and charging arrangements of various facilities.

6. A chronology of the development of the HKCYD is at Annex I.

Latest Development

Construction Work

7. The architectural design of the HKCYD was the winning entry of the “Centre for Youth Development Architectural Design Competition” organized by HAB and the Hong Kong Institute of Architects. Prior to the adjudication, we organized an “entries preview” to invite comments from youth organisations to serve as references for the jurors. The superstructure work of the HKCYD and fitting-out work of LG/F to 2/F cum hostel¹ were completed in November 2008. To provide a more user-friendly environment, we have initiated works additional to the original architectural design, which include installation of additional disabled seating arrangement at the balcony of the auditorium, installation of a canopy at the entrance to the auditorium, enlarging the female lavatory of the auditorium, installation of safety railings at various locations of the HKCYD and installation of an acoustic shelter to the chiller plants. It is expected that the additional works would be largely completed before the second quarter of 2009 and thereafter the facilities at HKCYD will be open to the public in phases.

Management Advisory Committee

8. The Management Advisory Committee will tender advice to the Government on the overall strategy and objectives of HKCYD; themes and contents of youth development programmes thereat; the use, allocation, leasing and charging arrangements of various facilities, as well as evaluating the effectiveness on the use of the HKCYD in promoting youth development programmes and monitoring the performance of the operator. Apart from representatives from the Government, members of the Management Advisory Committee include the Chairmen of the Commission on Youth (COY) and the Committee on the Promotion of Civic Education (CPCE), representatives nominated by the Eastern District Council (EDC) and the Board of Management of Chinese Permanent Cemeteries (BMPC), as well as members from different sectors, such as youth, business, academia and arts. The press release on

¹ The fitting-out works and interior decoration works of 3/F to 9/F of the Main Block have not been included into the capital project so as to allow maximum flexibility for allocation and design of various floor.

the appointments to the Management Advisory Committee and the membership list is at Annex II. The first meeting of the Management Advisory Committee will be held this month.

Management and Operation

9. The invitation of tenders for the management and operation services contractor has commenced in December 2008 and our target is to award the contract within the first quarter of 2009. The contractor has to provide day-to-day management and operation services for the HKCYD (including the hostel), venue leasing arrangement, promotion and marketing, customer services, security and cleansing services, repair and maintenance services, etc. In operating and managing the HKCYD, the contractor should follow the overall strategy and objectives established by HAB with reference to advice of the Management Advisory Committee. The contractor should also submit regular reports to assure HAB and the Management Advisory Committee that pre-determined service targets have been met. HAB will pay a management and service contract fee to the contractor, and incomes generated from the HKCYD, including rentals received from hiring of venue and hostel rooms, would go to the Government General Revenue Account. To ensure effective use of public funds and to avoid perpetual subsidy, the rental charges for venue and facilities would in principle be determined having regard to the operating costs and market rental values. The Management Advisory Committee would advise on the leasing and charging policies of the facilities of HKCYD having regard to relevant considerations and public views on the operation of the HKCYD.

Site Visit

10. A site visit to the HKCYD is being arranged for Members to facilitate on-site inspection.

**Home Affairs Bureau
January 2009**

Chronology of the Development of the Hong Kong Centre for Youth Development

<u>Date</u>	<u>Development</u>
1998	The Chief Executive announced in his 1998 Policy Address the construction of a central facility in Chai Wan to provide a focal point for youth development work and activities.
2000	HAB and the Hong Kong Institute of Architects organized the “Centre for Youth Development Architectural Design Competition”. The winning entry served as the architectural design of the HKCYD.
2001	The Finance Committee of the Legislative Council approved a sum of \$550.9 million for building the HKCYD. Together with a \$200 million donation from the Board of Management of the Chinese Permanent Cemeteries, the total capital cost of the HKCYD is estimated at \$750.9 million. The original plan was to set up a limited company, with its board of directors appointed by the Government, to manage and operate the HKCYD on a self-financing basis. (Legislative Council Public Works Subcommittee of Finance Committee Paper PWSC(2001-02)61)
2003	Taking into account the changes in the economic environment since the approval of the project in 2001 and the problems envisaged in the limited company model, it was found that the HKCYD could incur a shortfall in recurrent expenditure over the first 10 years of operation.
2004	HAB commissioned the IBM Business Consulting Services in 2004 to conduct a study to review the project scope, and to assess the feasibility of constructing and operating the HKCYD through a Public Private Partnership approach.
December 2004	HAB proposed to the Legislative Council Home Affairs Panel to resume the construction works of the HKCYD and submitted for consideration a Public Private Partnership approach for the HKCYD. (LegCo HA Panel Paper CB(2)342/04-05(01))
December 2004 to January 2005	The Government organized consultation sessions to receive views from youth and interested organisations on the proposals. Most of the organisations expressed support for the construction of the HKCYD and would like the HKCYD to be a landmark facility for youth development work and activities in Hong Kong and focus on youth exchanges with both the Mainland and overseas. However, some organisations also expressed concern that adopting a commercial operation mode might undermine the youth development function of the HKCYD.

<u>Date</u>	<u>Development</u>
March 2005	<p>The Finance Committee of the Legislative Council agreed at its meeting in March 2005 to resume the construction of the HKCYD, and to relax the restriction that the HKCYD should operate as a limited company and on a self-financing basis, so that the management and operation arrangement for the HKCYD could better serve its youth development objectives. (LegCo Finance Committee Paper FCR(2004-05)50)</p> <p>The Government would directly take up the responsibility of managing and operating the HKCYD by funding the necessary recurrent expenditure. HAB would strive to achieve full cost recovery by making every effort to operate the HKCYD in a cost-effective manner. In the event that the HKCYD incurred an operating deficit, HAB would cover the deficit through internal redeployment of resources or public donations.</p> <p>HAB would engage management and services contractors through open tender for the day-to-day management and operation of the HKCYD premises and its various facilities. The Government would collect all incomes generated. HAB would monitor the performance of the management and services contractors.</p> <p>HAB will set up a management advisory committee to advise the Government on the overall strategy and objectives of the HKCYD, the themes and contents of youth development programmes, as well as the use, allocation, leasing and charging of various facilities.</p>
June 2005	Construction of the superstructure works of the HKCYD commenced.
May 2008	Information Paper submitted to Legislative Council Home Affairs Panel to report on the progress of the HKCYD. (LegCo HA Panel Paper CB(2)1870/07-08(1))
November 2008	The superstructure work of the HKCYD and fitting-out work of LG/F to 2/F cum hostel were completed.
December 2008	Invitation of open tender for selection of management and operation services contractor.
January 2009	The Management Advisory Committee was established.
1 st quarter of 2009 (projected)	Award of the management and operation services contract.
2 nd quarter of 2009 (projected)	Additional works completed.

Date

Development

Second half of
2009 (projected)

Phased opening of HKCYD facilities.

Government announces appointments to Hong Kong Centre for Youth Development Management Advisory Committee

The Home Affairs Bureau today (December 30) announced appointments to the Hong Kong Centre for Youth Development Management Advisory Committee. The total construction cost of the Hong Kong Centre for Youth Development (HKCYD) comprises a sum of \$550.9 million approved by the Legislative Council and a donation of \$200 million by the Board of Management of the Chinese Permanent Cemeteries.

The Hong Kong Centre for Youth Development Management Advisory Committee will be set up on Thursday (January 1) to advise the Government on the operation of the HKCYD, including the overall strategy and objectives of HKCYD; themes and contents of youth development programmes; the use, allocation, leasing and charging arrangements of various facilities; as well as to evaluate the effectiveness on the use of the HKCYD in promoting youth development programmes and to monitor the performance of the operator.

Members of the Management Advisory Committee include the Chairmen of the Commission on Youth (COY) and the Committee on the Promotion of Civic Education (CPCE), representatives from the Eastern District Council (EDC) and the Board of Management of the Chinese Permanent Cemeteries (BMCPC) as well as from different sectors, such as youth, business, academics and arts.

The advisory committee is appointed for a term of two years to December 31, 2010.

The membership list of the committee is as follows:

Chairman

Permanent Secretary for Home Affairs

Ex-officio Members

COY Chairman (Mr Joseph Lee Chung-tak)

CPCE Chairman (Dr Pang King-chee)

Representative from EDC (Mr Kung Pak-cheung)
Representative from BMCPC (Ms Julia Lau Man-kwan)

Members

Mr Bunny Chan Chung-bun
Mr Chan Kai-ming
Mr Rock Chen Chung-nin
Ms Amy Fung Dun-mi
Dr Eddie Ho Kang-wai
Mr Witman Hung Wai-man
Mr Ko Tin-lung
Dr Ko Wing-man
Mr Kendrew Leung Chun-yuen
Ms Amy Leung Oi-mui
Mr Edward Leung Wai-kuen
Mr Pau Shiu-hung
Mr Eric Tang Sze-kin
Mr Adrian Yip Chun-to
Ms Yung Sau-mui

Representatives from government departments

Deputy Secretary for Home Affairs (1), Home Affairs Bureau
Principal Assistant Secretary (Civil Affairs) 1, Home Affairs Bureau
Representative of Education Bureau
Representative of Leisure and Cultural Services Department

The HKCYD is located at the junction of Chai Wan Road and Wan Tsui Road and is connected to the Chai Wan MTR Station via a footbridge. The HKCYD comprises a main block and a hostel block, with a total gross floor area of about 40,000 square metres. The key facilities of the HKCYD include auditorium, exhibition platform, multi-purpose hall, cafeteria, retail shops, function rooms, resource centre, offices and hostel rooms.

Ends/Tuesday, December 30, 2008

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