

立法會

Legislative Council

LC Paper No. CB(2)574/11-12
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by the Administration)

Ref : CB2/PL/HA

Panel on Home Affairs

Minutes of special meeting held on Friday, 17 December 2010, at 10:45am in the Chamber of the Legislative Council Building

- Members present** : Hon IP Kwok-him, GBS, JP (Chairman)
Hon KAM Nai-wai, MH (Deputy Chairman)
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon WONG Kwok-hing, MH
Hon CHEUNG Hok-ming, GBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Cyd HO Sau-lan
Hon CHAN Hak-kan
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon Paul TSE Wai-chun
Hon Tanya CHAN
- Members attending** : Hon LEE Wing-tat
Hon Paul CHAN Mo-po, MH, JP
Hon WONG Kwok-kin, BBS
- Members absent** : Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Dr Hon LAM Tai-fai, BBS, JP
Hon WONG Yuk-man

Public Officers : Agenda item I
attending

Home Affairs Bureau

Mr TSANG Tak-sing, JP
Secretary for Home Affairs

Mr Eddy CHAN
Head, Asian Games Bid Team
Home Affairs Bureau

Mr Jack CHAN
Deputy Head, Asian Games Bid Team
Home Affairs Bureau

Mr Benjamin MOK
Principal Assistant Secretary for Home Affairs
(Recreation and Sport)

Clerk in : Mr Thomas WONG
attendance Chief Council Secretary (2)2

Staff in : Ms Alice LEUNG
attendance Senior Council Secretary (2)2

Ms Yvonne OA-YANG
Council Secretary (2)2

Miss Monique TSEUNG
Legislative Assistant (2)2 (Acting)

Action

I. Bid to host the 2023 Asian Games
[HAB/R&SD/4038-1-55-6 and LC Paper No. CB(2)606/10-11(01)]

Secretary for Home Affairs ("SHA") briefed members on the Administration's paper on the projected financial and economic implications of hosting the 2023 Asian Games and Asian Para Games in Hong Kong ("the Games") [LC Paper No. CB(2)606/10-11(01)]. The Administration planned to seek the in-principle acceptance by the

Action

Finance Committee ("FC") of the financial implications of the bid for hosting the Games in mid-January 2011.

Costs of hosting the Games

2. Mr CHEUNG Man-kwong expressed dissatisfaction that the Administration had highlighted the estimated \$6 billion direct cost of hosting the Games at current prices but downplayed the estimated total cost of some \$54 billion stated in its paper for the Games at money-of-the-day ("MOD") prices. In addition, the estimated total cost of \$54 billion had been based on the optimistic assumption that the inflation rate would only increase by 2% to 3% per annum in the next 13 years. In view of the rise in construction costs in recent years, Mr CHEUNG was worried that the Government would need at least \$70 billion in MOD prices to foot the bill for hosting the Games, and called on the Administration to provide the worst-case scenario on the total cost of hosting the Games in MOD prices.

3. SHA clarified that the \$6 billion would be the direct cost of hosting the Games and the amount of the funding proposal for which the Administration would seek FC's approval in mid-January 2011. During its public consultation on whether Hong Kong should bid to host the Games, the Administration noted the public support for sports development and the provision of more sports facilities in Hong Kong. Funding for each sports facility project would be subject to FC's approval.

4. Head, Asian Games Bid Team of the Home Affairs Bureau ("H/AGBT/HAB") advised that it was difficult to provide the accurate costs of hosting the Games in MOD prices. The Administration could only provide the estimates as far as practicable. The estimated direct cost of hosting the Games had been provided by GHK (Hong Kong), consultant to HAB, while the projected 2% - 3% inflation rate per annum from 2011 to 2014 had been provided by the Government Economist. H/AGBT/HAB added that as stated in paragraph 16 of the Administration's paper, the computation of the estimates of hosting the Games had been based on certain assumptions relating to the changes of the price deflators provided by the Government Economist. Such assumptions were subject to review from time to time.

5. Ms Emily LAU asked whether the Administration would have any contingency plan if the \$6 billion was eventually found to be insufficient for hosting the Games. In response, SHA highlighted that the Administration had not sought additional funding for the Hong Kong-hosted 2010 East Asian Games from the Legislative Council ("LegCo")

Action

other than the approved \$120 million.

6. Mrs Sophie LEUNG opined that should the Administration consider the \$6 billion sufficient for staging the Games, it had the responsibility to control overspending and avoid seeking additional funding from LegCo or financial support from the business sector.

7. Mr LEE Wing-tat opined that the \$6 billion was misleading, as it was for the opening and operational needs of the Games only and had not covered the construction of new sports facilities for the Games, which would cost some \$46 billion in MOD prices according to the Administration's estimates. It was difficult for LegCo to support the bid on the one hand but disapprove the funding proposals for such sports facilities projects on the other. Noting that the construction costs in Hong Kong, the Mainland and the international market were expected to increase 10% to 20% in the next five years, Mr LEE considered the Administration's estimated cost of the new sports facilities inadequate, as it had only been based on a 5% increase in construction cost per annum in the next 13 years.

8. Noting from the Administration's paper that the direct capital cost of hosting the Games would double from \$2.25 billion at current prices to \$4.33 billion in MOD prices, Miss Tanya CHAN asked why the indirect capital cost of staging the Games, i.e. the cost of constructing eight sports facilities, would increase by 50% only from \$30.17 billion to \$45.8 billion. SHA advised that the direct capital cost of hosting the Games in MOD prices had factored in the levels of wages up to 2023, while the construction of various sports facilities would commence in the coming few years during which the impact of inflation should be less significant.

9. Mr Paul CHAN, who was not a Panel member, shared members' views that the Administration should enhance the provision of public sports venues and facilities and support for athletes irrespective of the decision on the bid. He considered that in addition to the estimated \$6 billion total direct cost of hosting the Games, the Administration should provide the differences between the costs of constructing/upgrading sports venues and facilities if the Games were to be hosted and not to be hosted in Hong Kong. The key considerations should be whether it was worth spending billions of dollars on hosting the Games and the objectives to be achieved.

10. Miss Tanya CHAN and the Deputy Chairman urged the Administration to disclose the actual total costs of hosting the Games and undertakings to be included in Hong Kong's formal bid for the right to

Action

host the Games. SHA responded that the formal bid documents would include the \$6 billion direct total cost of hosting the Games and the Government's undertaking to construct a series of sports venues and facilities.

11. The Deputy Chairman also called on the Administration to provide the Panel with a copy of the formal bid documents to be submitted to the Olympic Council of Asia ("OCA"), if the bid would be mounted. SHA advised that the submission of the documents was within the purview of the Sports Federation & Olympic Committee of Hong Kong, China ("SF&OC"). The Administration needed to liaise with SF&OC to obtain OCA's consent to the disclosure of such documents, and consider whether, at the current stage, the disclosure would undermine Hong Kong's bid and benefit other competing cities. The Administration would disclose the documents at an appropriate time to enhance transparency.

12. Mr WONG Kwok-hing suggested that should Hong Kong have a shortage of facilities for certain sports, it might consider staging the Games in conjunction with the neighboring cities such as Shenzhen and Macao, so as to help avoid overspending on the Games and facilitate these cities to complement each other's strengths to create further success.

13. SHA advised that the Administration had discussed with the authorities in Shenzhen and Macao the feasibility of staging the Games by Hong Kong in conjunction with Macao and Shenzhen which was the host city for the 2011 Universiade, and had received a positive response. He pointed out that the completion of the Hong Kong-Zhuhai-Macao Bridge and the Express Rail before 2023 would make OCA's requirements for travel times between the Athletes' Village and competition venues achievable.

Cost effectiveness of hosting the Games

14. Noting the support from the tourism sector and various tourist associations for the bid, Mr Paul TSE said that as a Member, it was incumbent upon him to protect the interests of not only the tourism sector but also the public. He would consult the tourism sector before deciding whether to support the bid. In his view, it should be more cost-effective to promote tourism through the organization of a series of less costly cultural and sports events, such as the exhibition of the Animated Version of the Riverside Scene at Qingming Festival and Rugby Sevens, rather than hosting the Games, which would be a one-off event only. Hosting the Games was not a must for Hong Kong to demonstrate its already-proven abilities to organize major international events. In addition, the

Action

"home turf" advantage should not be a key reason for Hong Kong to host the Games, as high-level athletes should perform well under different circumstances. Although the 2010 Guangzhou Asian Games were considered successful, it had reportedly cost some 100 billion Yuan and Guangzhou civil servants had to share the costs and would not have any pay rise in the next three years. It was politically and financially difficult for the Hong Kong Government to follow the approach of the Guangzhou government. He considered that apart from hosting the Games, there should be some more direct ways to support athletes, such as offering more scholarships to them to meet their educational needs.

15. SHA advised that the Hong Kong Tourism Board and the Travel Industry Council of Hong Kong had expressed support for the bid. The bid originated from a motion passed by LegCo on 6 January 2010 requesting, among others, the Government to actively consider bidding to host the 18th Asian Games in 2019. Miss Tanya CHAN clarified that before the 2009 East Asian Games and passage of the aforesaid LegCo motion, SHA had publicly stated that Hong Kong might bid to host the 2019 Asian Games.

16. Noting that the Administration had visited the Liberal Party ("LP") to receive views on the bid, Ms Miriam LAU said that LP had expressed three concerns about the bid: first, whether hosting the Games would bring short-term and long-term economic benefits to Hong Kong; second, whether adequate venues and facilities would be available for local athletes' training and whether there was any long-term commitment to promoting sports education; and third, how to avoid turning the sports venues into white elephants. She was disappointed about the Administration's lack of substantive response to LP's concerns. In particular, the Administration had not provided a concrete timetable on, and a financial commitment to, the implementation of the proposed sports facilities projects. Nor had it set out a comprehensive plan to strengthen support for elite athletes, promote sports for all and improve the transparency and governance of the National Sports Associations ("NSAs"). She said that LP would seek the Administration's further response. SHA responded that upon receipt of LP's further submission, he would reply as soon as practicable.

17. SHA also advised that the proposed sports venues and facilities in Yuen Long, Sha Tin and Tai Po would be used by elite athletes and the public before and after the Games. H/AGBT/HAB added that such facilities and venues, the seating capacity of which would be in the range of 800 to 1 000, would not become white elephants but would cater for the long-term local needs with or without the Games. Their seating

Action

capacity would be increased by temporary overlay works to meet the needs of the Games and the costs of such works had been included in the estimates.

18. Miss Tanya CHAN said that the Civic Party supported sports development but opposed the bid. Noting from paragraph 2 of the Administration's paper that the Government's decision on the bid would be subject to the results of public consultation, she asked whether the bid would be mounted, given that the public opinions on the bid had remained divided. She also asked whether the Administration could provide a copy of SF&OC's letter of intent to the Panel. SHA advised that the letter of intent was a public document. H/AGBT/HAB added that the bid file on the Games contained a question on whether the government of the hosting city would undertake to finance the Games but did not specifically request the amount of money to be committed by the government for hosting the Games. He advised that if Hong Kong were to bid to host the Games, the Government had the responsibility to finance the Games.

19. Mrs Sophie LEUNG expressed support for the bid through which the Government should take the lead to set a clear long-term goal for athletes and the community at large. She suggested that after the conclusion of the public consultation on the bid, the Administration should proceed with the bid process, strive to implement the sports venues and facilities as planned and, irrespective of whether to mount the bid, formulate a 10-year sports development blueprint based on the public consensus.

Sports development

20. Mr CHAN Hak-kan pointed out that in line with the findings of various public opinion polls, the public views he had collected indicated that slightly more people opposed the bid. They expressed concern about the confusing figures released by the Administration about the costs of hosting the Games. To support sports development in Hong Kong, the Administration should spend money on the construction of sports facilities directly rather than hosting the Games. Mr CHAN opined that irrespective of whether to make the bid and whether the bid would be successful, the Administration should continue to improve the sports facilities in local districts, bring forward the proposed sport facilities projects, and continue to host international individual sports competitions, given the high-level performance of Hong Kong's athletes in certain individual sports such as cycling.

Action

21. SHA responded that he saw no reason why Hong Kong could only host individual sports events but not multi-sport ones, and it would not be easy to set the criteria for singling out certain individual sports. The Administration hoped to promote various sports in which people could take part. In addition to on the investment in the construction of sports facilities, the Administration would invest \$5 billion in the development of elite athletes in the next 10 years.

22. Mr WONG Kwok-hing called on the Administration to confirm whether the proposed sports facilities would go ahead even if the bid would not be mounted. SHA assured members that he would actively push the construction of the proposed sports facilities projects, which had been long-awaited in local districts. Mr CHEUNG Man-kwong considered SHA's assurance inadequate, as the priority of works projects might change every year.

23. Ms Emily LAU and Mr LEE Wing-tat said that the Democratic Party ("DP") was not in favor of the bid but fully supported the sports development in Hong Kong, including strengthening the educational and career support for serving and retired athletes. The Administration should improve the prospect of athletes in Hong Kong before spending billions of dollars on hosting the Games.

24. Disappointed with the Administration's lack of a comprehensive policy on sports development, the Deputy Chairman called on the Administration to adopt DP's proposal for using the \$6 billion earmarked for hosting the Games to promote sports, including formulating a 10-year sports development blueprint, improving the training and retirement support for athletes and promoting sports for all. SHA expressed appreciation for DP's support for sports development and hoped that DP would support the Administration's proposed sports facilities projects to be constructed in the next 13 years.

25. Mr LEE Wing-tat expressed dissatisfaction with the lack of transparency in the governance and operation of NSAs. Mr Timothy FOK disagreed and stressed that many volunteers in NSAs had been dedicated to sports development.

26. Noting from a media report that Mr WONG Kwok-hing and the Hong Kong Federation of Trade Unions ("HKFTU") had shifted to support the bid because of the Leisure and Cultural Services Department ("LCSD")'s acceptance of their demand for the creation of 500 posts, Mr LEE Wing-tat expressed dissatisfaction with their stance, as the bid should not be taken as a deal. Mr CHEUNG Man-kwong shared Mr

Action

LEE's view.

27. Mr WONG-Kok-hing considered Mr LEE's remark groundless. He said that HKFTU had never opposed the bid but urged the Administration to make improvements. After careful considerations, it supported the bid because the Administration had been positive in solving the problem of "different pay for the same job" within LCSD and had ensured that the bid would not affect the development of sports facilities at the community level.

Motions

28. The Panel proceeded to deal with members' motions. The wording of the first motion moved by the Deputy Chairman was as follows –

"本會要求香港特區政府擱置申辦2023年亞洲運動會。"

(Translation)

"That this Panel requests the HKSAR Government to shelve its bid to hold the 2023 Asian Games."

29. The Chairman put the Deputy Chairman's motion to vote. As the majority of the members present voted for the motion, the Chairman declared that it was passed.

30. The Chairman then put the Deputy Chairman's second motion as amended by Mr WONG Kwok-hing to vote. The wording of the motion was as follows –

"本會促請香港特區政府無論是否成功提出申辦或是否獲得申辦成功都會將相若預備主辦2023年亞洲運動會直接成本的60億元成立"體育運動基金"，以推動全民參與體育的政策，加強本地精英運動員的培訓及退役安排，並立即製訂十年體育發展藍圖。"

(Translation)

"That this Panel urges the HKSAR Government to set up a "Sports Fund" with a sum equal to the \$6 billion direct cost to be earmarked for staging the 2023 Asian Games, regardless of whether it is successful in submitting the bid or whether it is successful in bidding to host the Games, for the purpose of promoting the policy of sports for all and

Action

enhancing the training and retirement arrangements for local elite athletes, and to draw up immediately a ten-year blueprint for sports development."

31. As the majority of the members present voted for the above motion, the Chairman declared that it was passed.

II. Any other business

32. There being no other business, the meeting ended at 12:50pm.

Council Business Division 2
Legislative Council Secretariat
13 December 2011