

立法會
Legislative Council

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seen by the Administration)

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Finance Committee of the Legislative Council

**Minutes of the 58th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 3 July 2015, at 7:33 pm**

Members present:

Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)

Hon CHAN Kin-por, BBS, JP (Deputy Chairman)

Hon Albert HO Chun-yan

Hon LEE Cheuk-yan

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Hon Emily LAU Wai-hing, JP

Hon TAM Yiu-chung, GBS, JP

Hon Abraham SHEK Lai-him, GBS, JP

Hon Frederick FUNG Kin-kee, SBS, JP

Hon WONG Kwok-hing, BBS, MH

Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN

Hon WONG Ting-kwong, SBS, JP

Hon Cyd HO Sau-lan, JP

Hon Starry LEE Wai-king, JP

Hon CHAN Hak-kan, JP

Hon CHEUNG Kwok-che

Hon WONG Kwok-kin, SBS

Hon IP Kwok-him, GBS, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon LEUNG Kwok-hung

Hon Claudia MO

Hon Michael TIEN Puk-sun, BBS, JP

Hon James TIEN Pei-chun, GBS, JP
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Ronny TONG Ka-wah, SC
Dr Hon LAM Tai-fai, SBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Dr Hon LEUNG Ka-lau
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon Albert CHAN Wai-yip

Hon WONG Yuk-man
Dr Hon Kenneth CHAN Ka-lok
Hon Kenneth LEUNG
Hon Dennis KWOK
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kong, SBS, JP
Hon CHUNG Kwok-pan

Public officers attending:

Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr LAI Cheuk-man	Senior Architect, Social Welfare Department
Mrs Elina CHAN	Principal Assistant Secretary for Labour and Welfare (Welfare) 3
Mr LAM Ka-tai, JP	Deputy Director of Social Welfare (Services)
Ms PANG Kit-ling	Assistant Director of Social Welfare (Elderly)
Mrs Betty FUNG CHING Suk-yee, JP	Permanent Secretary for Home Affairs
Mr Jonathan MCKINLEY, JP	Deputy Secretary for Home Affairs (2)
Ms Linda LAW Lai-tan	Principal Assistant Secretary for Home Affairs (Recreation and Sport) 2
Mr WONG Lop-fai	Chief Project Manager 303, Architectural Services Department
Mr Raymond LAU	Senior Project Manager 332, Architectural Services Department

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Mr Derek LO	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5
Miss Yannes HO	Legislative Assistant (1)6

Action

**Item No. 4 – FCR(2015-16)19
LOTTERIES FUND
HEAD 341 – NON-RECURRENT GRANTS**

The meeting continued with the deliberation on the item, which sought the Committee's approval for an allocation of \$55,122,000 from the Lotteries Fund for meeting the construction costs of a new Contract Residential Care Home for the Elderly ("RCHE") at the ancillary facilities block in the public rental housing development of the Housing Authority at the site of Choi Yuen Road, Sheung Shui.

Design and development of the proposed Contract Residential Care Home for the Elderly

2. Mr LEUNG Kwok-hung enquired about the reason for providing only 100 places at the proposed Contract RCHE. Given the construction constraints of the proposed site and the significant amount of money required for piling, Mr LEUNG questioned why the Social Welfare Department ("SWD") would select the proposed site at Choi Yuen Road, Sheung Shui for the Contract RCHE.
3. Ms Cyd HO expressed concern about the rationale and cost-effectiveness of building a five-storey ancillary facilities block for the Contract RCHE at the proposed site. She enquired about the permitted plot ratio for the proposed site and whether the Administration would raise the plot ratio or change the land use of the site.
4. Deputy Director of Social Welfare (Services) ("DDSW") advised that the proposed site at Choi Yuen Road had been identified for public rental housing ("PRH") development with 27% of its area designated for non-residential use and of this area 13 % would be used for welfare facilities. The proposed Contract RCHE, together with the neighbourhood elderly centre and the 40-place day care centre for the elderly, accounted for 40% of the total floor area of the ancillary facilities block.

5. Regarding the plot ratio, DDSW responded that the plot ratio of the proposed site was 4.9 for residential use and 1.8 for non-residential use. The building height restriction for social welfare facilities for the elderly and people with disabilities was 24 metres and the proposed ancillary facilities block was already 22 metres in height.

6. Ms Cyd HO and Mr LEUNG Kwok-hung further questioned why the Administration did not make full use of the site for the ancillary facilities block by constructing a taller building so that other facilities and services, such as recreational facilities and nursery services, could also be provided on the upper floors. DDSW advised that SWD aimed at providing social welfare facilities for the elderly at the proposed site and had already fully utilized the floor area available for such purpose. In response to the Chairman's enquiry, DDSW explained that social welfare facilities would be provided under all new PRH development projects and the Housing Department would be responsible for the overall planning of the site, regarding the location of the ancillary facilities block and the number of storeys to be constructed.

7. Given the advancement in building service facilities nowadays, Mr CHEUNG Kwok-che suggested that the Administration should review the 24-metre building height restriction imposed on social welfare facilities for the elderly. By relaxing the building height restriction, more residential care places could be constructed for the elderly in future to meet the substantial demand. The ratio of subsidized to non-subsidized residential care places in contract RCHEs should also be reviewed with a view to increasing the ratio from 6:4 to 8:2 in future development projects. DDSW took note of the suggestions.

8. Dr Fernando CHEUNG requested the Administration to provide the development plan of the proposed Contract RCHE. DDSW undertook to provide the requested document after the meeting.

[Post-meeting note: The requested information was issued to members vide LC Paper No. FC214/14-15(01) on 9 July 2015.]

Construction cost and commencement of operation of the Contract RCHE

9. Noting that in addition to the proposed Contract RCHE, other social welfare facilities would be provided at the ancillary facilities block at the Choi Yuen Road site, Mr WU Chi-wai asked if funding for the development of the other social welfare facilities had been approved. Mr WU and the Chairman were concerned that if the funding for the development of the other social welfare facilities was delayed, it might have a knock-on effect on the

construction cost and timing of the commencement of operation of the proposed Contract RCHE.

10. DDSW responded that the development of the other two social welfare facilities would be funded by the Capital Works Reserve Fund and the Administration would submit relevant proposals to the Public Works Subcommittee ("PWSC") in due course.

11. Given that the construction progress of individual facilities at the same development site would affect one another, Ms Cyd HO and the Chairman were of the view that the Administration should seek funding approval for all the construction projects at the Choi Yuen Road site in one go although they involved different government bureaux/departments and funding sources. They also commented on the ineffectiveness of the Administration's fragmented approach in seeking funds from the Legislative Council. Permanent Secretary for Financial Services and the Treasury (Treasury) took note of the comments.

12. Noting that the contract for the operation of the proposed Contract RCHE was expected to be awarded in 2021 (i.e. after the completion of the construction works of the ancillary facilities block around 2020), Mr CHEUNG Kwok-che and Mr LEE Cheuk-yan asked if the Administration could invite tenders for the operation of the proposed Contract RCHE before the construction works were completed so that the operator could start the preparatory works immediately afterwards. They expressed concern about the long lead time required for the construction of the proposed Contract RCHE and called on the Administration to speed up the process.

13. DDSW advised that the PRH development project at Choi Yuen Road would be carried out in two phases. The first phase which covered the construction of three PRH domestic blocks and a public car park and the relevant works had already started in November 2014. The construction of the ancillary facilities block would be carried out in the second phase. The site for the ancillary facilities block was now used as a temporary parking lot which would be relocated to the site of the first phase upon completion of the construction of the public car park thereat. The construction of the ancillary facilities block was expected to commence in February 2018 and scheduled for completion in around August 2020.

14. Regarding the tendering process, DDSW said that the Administration would prepare necessary tendering documents before the completion of the construction works with a view to inviting tenders in the first half of 2020. In response to Mr Wu Chi-wai's enquiry, DDSW advised that where practicable, the Administration would speed up the tendering process by inviting tenders for

the proposed Contract RCHE once the detailed floor plan was available. It was expected that the whole tendering process would be completed in about six to seven months. The operator awarded the contract would usually require another 11 months for carrying out the preparatory work. These included the fitting-out works, procurement of furniture and equipment, staff recruitment as well as applying for a licence for operating an RCHE and registration for operating a nursing home. He expected that the Contract RCHE would commence operation in 2022.

Ambit of the Lotteries Fund

15. Dr Fernando CHEUNG expressed grave concern on the use of the Lotteries Fund ("LF"), instead of government funds, for meeting the construction costs of RCHEs. He asked under what conditions and circumstances that LF would be used for the construction of social welfare services facilities like the Contract RCHE and the two Integrated Rehabilitation Services Complexes discussed at the previous meeting.

16. Deputy Secretary for Financial Services and the Treasury (Treasury)¹ advised that LF was established in 1965 by Resolution of the Legislative Council for the purpose of financing social welfare services. LF was mainly funded from the proceeds of the Mark Six Lottery and auctions of vehicle registration numbers. She added that LF was a dedicated fund like the Capital Works Reserve Fund and formed part of public funds. Under the Government Lotteries Ordinance (Cap. 334), the Financial Secretary had the authority to approve payments from LF to finance the development of social welfare services, subject to the consent of the Lotteries Fund Advisory Committee.

Admin 17. Dr Fernando CHEUNG further requested the Administration to provide supplementary information on the conditions and circumstances under which the Administration decided to use LF vis-a-vis other public funding sources for the construction of RCHEs and other social welfare services facilities.

Voting on FCR(2015-16)19

18. There being no further question or comment from members, the Chairman put item FCR(2015-16)19 to vote. The Chairman declared that the Committee approved the item.

**Item No. 5 – FCR(2015-16)22
RECOMMENDATION OF THE
PUBLIC WORKS SUBCOMMITTEE MADE
ON 6 MAY 2015**

19. The Chairman advised that the item FCR(2015-16)22 sought the Committee's approval of the recommendation of PWSC made at its meeting on 6 May 2015 (i.e. PWSC(2015-16)3). A member of PWSC had requested that item PWSC(2015-16)3 should be considered and voted on separately at the Finance Committee ("FC") meeting.

20. The item PWSC(2015-16)3 sought the Committee's approval to upgrade part of 272RS, entitled "Kai Tai Multi-purpose Sports Complex – pre-construction works" to Category A at an estimated cost of \$62.7 million in money-of-the-day prices. The remainder of 272RS would be retained in Category B.

The need for the Multi-purpose Sports Complex and the anticipated usage rate

21. Dr KWOK Ka-ki, Mr CHAN Chi-chuen and Ms Emily LAU questioned whether it would be cost-effective to develop and operate the 50 000-seat main stadium at the proposed Kai Tak Multi-purpose Sports Complex ("MPSC"). Dr KWOK and Ms LAU enquired about the estimated numbers of days a year that the main stadium would be used to host sports events. Mr CHAN recognised the need for a stadium with seating capacity similar to that of the Hong Kong Coliseum for hosting sports events and entertainment events (such as pop concerts) but queried about the usage rate of such a huge main stadium.

22. Sharing a similar concern, Mr Frederick FUNG and Mr Gary FAN asked about the estimated numbers of days a year that the main stadium at MPSC would be used to host large-scale events (e.g. with 40 000 to 50 000 spectators). Mr FUNG enquired about the optimal usage level for operating the main stadium. Mr FAN expressed concern about the cost-effectiveness in operating the main stadium and worried that MPSC might turn out to be a "white elephant".

23. Permanent Secretary for Home Affairs ("PSHA") responded that, at present, the 40 000-seat Hong Kong Stadium had been used to host sports events for about 30 days a year. It was expected that the major sports events currently held at the Hong Kong Stadium would move to the main stadium at MPSC after its commissioning. She added that owing to the constraints of the Hong Kong Stadium, such as its restricted seating capacity, its close proximity

to residential areas and hence the noise problem and lack of supporting facilities, many major sports events could not be hosted there. It was estimated that with the improved facilities at the main stadium, in particular the retractable roof that could help to contain event noise and protect the venue during adverse weather conditions, the increased seating capacity, and the flexibility in terms of the variety of sports events that could be hosted, the number of days that the main stadium would be used to host sports events would double the current figure.

24. Regarding non-sporting events, PSHA said that according to the entertainment sector, a venue with 35 000 seats would be desirable, in particular for holding international pop concerts. She remarked that the Asia World-Expo, with a seating capacity of 14 000, was the largest indoor seated venue in Hong Kong at present. Some local concerts that were currently held at the Hong Kong Coliseum could also be held in the main stadium at MPSC. The Administration anticipated that the number of non-sporting events that could be held in Hong Kong following the commissioning of MPSC would increase significantly. The Administration would soon engage consultants to study both the technical issues and operation mode of MPSC. The consultants would give advice on the preferred operating mode for MPSC so that it could sustain its own operation and be able to generate profits as well. However pending further detailed study, it would be speculative at this stage to estimate the total number of event days to be accommodated in the main stadium in 2021 when MPSC was scheduled to be commissioned.

25. Noting the declining usage rate of the Hong Kong Stadium, Mr CHAN Chi-chuen enquired if the decline was caused by the constraints of the venues, in particular the need for regular maintenance in order to provide a good playing surface for football and rugby matches.

26. PSHA replied that the Administration did not actively promote the use of the Hong Kong Stadium because of its venue constraints, in particular those relating to the restricted capacity, the noise limits and the need to close the venue for regular maintenance. The main stadium at MPSC would be able overcome these constraints by being able to host a much wider range of events than was now possible at the Hong Kong Stadium.

27. Dr Helena WONG was concerned that the main stadium at MPSC would eventually be used mainly for pop concerts and other non-sporting events. She enquired about the anticipated usage rate of the main stadium at MPSC in hosting sports events and other non-sporting activities respectively after its commissioning. Noting that a mega performance venue was also proposed to be developed in the West Kowloon Cultural District, Dr WONG cast doubt on the need to develop the main stadium in MPSC. Ms Emily LAU shared

Dr WONG's concern and requested the Administration to provide examples of the actual usage of overseas stadia of a similar capacity as that of the proposed main stadium at MPSC.

28. PSHA responded that it was premature to estimate the event profile for the main stadium at MPSC for the time being. She added that the proposed mega performance venue in the West Kowloon Cultural District would be a 12 000-seat indoor venue which was incomparable to the main stadium at MPSC. In response to Ms Emily LAU's enquiry, PSHA advised that stadia in overseas cities mainly served as the base of respective football clubs whereas MPSC was multi-purpose in nature and would be used for large-scale international and local sports events as well as other non-sporting activities. PSHA emphasized that priority would be given to hosting sports events although MPSC would also be used for non-sporting activities.

29. Mr LEE Cheuk-yan also cast doubt on the actual demand in Hong Kong for a 50 000-seat stadium. He was of the view that the Administration should seek funds from FC after the completion of the consultancy study so as to ensure that the development of MPSC was technically and operationally viable. Mr LEE also enquired about the future uses of the Hong Kong Stadium after the commissioning of MPSC.

30. PSHA advised that in addition to studying the technical issues and operation mode of MPSC, the consultants would also conduct a market survey with a view to forecasting the number and types of local and international events that would be hosted in the main stadium. Feedback from the entertainment sector indicated that quite a number of international pop singers and concert organizers were interested in holding concerts in Hong Kong if a large venue with seating capacity higher than that of the Asia World-Expo was available in Hong Kong. With regard to the future uses of the Hong Kong Stadium, PSHA said that the Administration would collect views from relevant stakeholders, such as the district councils and the sports sector, before finalizing its future positioning and uses.

31. Given the controversy regarding the construction of the main stadium at MPSC, Mr WU Chi-wai asked if the pre-construction works for the main stadium could be conducted separately instead of being bundled together as it was now with the public multi-purpose sports ground and the indoor multi-purpose sports centre under one project.

32. PSHA advised that the pre-construction works would include employing a technical services consultant to study the features, design, costs of construction, etc. of different facilities in MPSC as a whole. She added that a

considerable part of the funds would be used for studies in connection with the main stadium, such as noise shielding structure and the crowd dispersal arrangements. It would not be feasible or cost-effective to conduct the technical studies for the three sports facilities separately. She further said that MPSC as a whole was essential for meeting the Administration's three-fold objectives for sports development, i.e. to promote sport in the community, to support elite sport, and to make Hong Kong a centre for major international sports events, and hence the Administration had no plan to separate the development of and submit separate funding proposals for the three sports facilities. That said, the Administration would provide a more precise projection on the construction costs of individual facilities when the Administration sought funds for the main works of MPSC after the completion of the pre-construction works. She supplemented that the development of a sports complex in Kai Tak was the outcome of rounds of discussion between the Administration and stakeholders. In addition, the sports sector had been requesting for a large-scale MPSC for more than 10 years and had urged for the early implementation of the project.

33. Mr LEUNG Yiu-chung agreed on the needs in developing modern sports venues as the existing major sports facilities were falling behind the standards expected by international athletes and event organisers. However he cast doubt on the need of a 50 000-seat main stadium at MPSC and worried that MPSC might turn out to be a "white elephant". He asked what kinds of sports in Hong Kong could help enhance Hong Kong's competitiveness and attractiveness in seeking to host major sports events.

34. PSHA advised that both the Hong Kong Rugby Football Union and the Hong Kong Football Association Ltd. expressed the need for a large-scale venue for hosting international sports events. The equestrian events currently hosted at the Asia World-Expo could also be held at MPSC instead. Deputy Secretary for Home Affairs (2) added that MPSC, like other large-scale sports complexes of the world, would rely mainly on international sports events to sustain its operation. In response to Mr LEUNG Yiu-chung's further enquiry, PSHA said that a large-scale venue like the main stadium at MPSC would be required in developing local sports events in Hong Kong.

35. Ms Cyd HO expressed opposition to the construction of the main stadium in MPSC as it might turn out to be a "white elephant". Assuming that the main stadium would hold 10 pop concerts per year, the annual income from the ticket proceeds generated by these concerts would not constitute a sufficiently large annual income to make the building of the main stadium cost-effective. PSHA took note of Ms HO's comments.

36. Mr LEUNG Kwok-hung cast doubt on the need to construct a 50 000-seat main stadium at MPSC and enquired if the Administration had studied the feasibility of constructing a retractable roof over the Hong Kong Stadium to address the noise impact instead of building a 50 000-seat main stadium in MPSC. PSHA responded that it would not be feasible to construct a retractable roof over the Hong Kong Stadium as the Stadium was located in a well-developed area with lots of buildings around. Moreover, the Hong Kong Stadium also did not have appropriate supporting facilities for hosting large-scale events.

Location of the Multi-purpose Sports Complex

37. Dr KWOK Ka-ki was of the view that the proposed site of MPSC should be used for housing development to alleviate the acute housing shortage in Hong Kong. He asked if the Administration had considered developing the mega sports complex in other areas, such as Sunny Bay, which was unsuitable for housing development. Ms Cyd HO shared a similar view and asked about the estimated number of residential units that could be built at the nine-hectare land at MPSC earmarked for the construction of the main stadium.

38. PSHA advised that the development of MPSC in Kai Tak was the outcome of rounds of consultations years before and had been thoroughly discussed within the Administration. It would meet the aspirations of members of the sports sector, address the shortage of public sports facilities in East Kowloon as well as serve as a "city lung" in Kai Tak. In fact, the Administration had considered several sites, including Sunny Bay but found it unsuitable because of the lack of transportation network serving that area.

Facilities to be provided in the Multi-purpose Sports Complex

39. Mr MA Fung-kwok and Mr YIU Si-wing expressed support for the development of MPSC. Mr MA said that the sports and entertainment sectors had long requested for the development of a large-scale venue in Hong Kong to host sports and other events and urged for early implementation of the project. He added that a number of sports associations relayed to him their expectations for the provision of a variety of venues in MPSC to support a wider range of sports, such as swimming, water-based sports and ice sports. To enhance the financial viability of MPSC, Mr MA and Mr YIU were of the view that retail and catering outlets should also be provided to attract tourists and the local community to visit the venue. Mr MA also enquired when the construction of the main works of MPSC would commence after the completion of the pre-construction works. Mr YIU enquired if iconic design would be adopted

for the development of any of the three sporting facilities in MPSC in order to enhance their attractiveness.

40. PSHA replied that the Administration would consider the needs and concerns of the two sectors when designing the facilities in MPSC, in particular the feasibility of providing facilities and venues meeting international standards for ice sports as no public facility for ice sports was available at the moment. She added that comprehensive supporting facilities, including dining, retail and entertainment facilities, would be provided in MPSC. PSHA said that after the completion of the pre-construction works in March 2017, the Administration would seek approval of funds for the main works of MPSC.

41. In response to Mr YIU Si-wing's enquiry, PSHA advised that the Administration had no plan to organise an architectural design competition to create an iconic design for the facilities at the MPSC. She expected that the tendering for constructing MPSC would attract international and local architects. With their inputs, MPSC could become a new landmark in the Kai Tak Development Area and the East Kowloon at large.

42. Dr Helena WONG relayed the request of the communities in the vicinity of Kai Tak for the provision of an all-weather swimming pool at the MPSC. She added that the three present swimming pools in Kowloon City District were located far away from Kai Tak and were not all-weather pools. She questioned why the Administration did not consider providing an all-weather swimming pool in MPSC.

43. PSHA said that several swimming pools in Hong Kong, like the Victoria Swimming Pool and the Kowloon Park Swimming Pool, could be used for international swimming events. Notwithstanding, the Administration recognised the need of an all-weather swimming pool by the local residents in Kowloon City District and was in the planning process of redeveloping the Kowloon Tsai Swimming Pool into an indoor swimming pool. To meet the needs of the community of Kai Tak, the Administration planned to construct an indoor sports complex, which could possibly house an indoor heated swimming pool, at about 420 metres from the Kai Tak MTR station.

44. Ms Emily LAU enquired how MPSC could achieve the Administration's objectives in promoting sports in the community and supporting elite sport. PSHA replied that the public sports ground and the indoor sports centre to be provided at MPSC would be available for daily use by the community. MPSC also consisted of large areas of open space with a range of different outdoor sports and recreational facilities which would also be provided and open to the public all year round. In terms of support for elite

sport, the provision of a home venue for hosting international sports events and high quality training facilities for the athletes in MPSC could help promoting elite sport in Hong Kong.

45. Mr Gary FAN asked if the Administration would consider providing a variety of venues in MPSC to support a wider range of sports (e.g. ice sports and golf) and sporting facilities for people with disabilities instead of building the main stadium, so as to achieve the Administration's objective in promoting sports in community. PSHA referred to the Administration's three-fold objectives for sports development and explained that it would be difficult to make Hong Kong a centre for major international sports events without the main stadium at MPSC. As regards the provision of sporting facilities for community use, PSHA said that the Administration would accommodate a wide variety of sporting facilities in MPSC to meet the needs and aspirations of the community.

46. Dr Fernando CHEUNG noted that one of the Administration's objectives for sports development was to support elite sport and that the sports facilities at MPSC would complement existing training facilities of the Hong Kong Sports Institute ("HKSI") for high-level athletes. However, HKSI did not provide any support and training to deaf athletes though Deaflympics was one of the events sanctioned by the International Olympic Committee (in addition to the Olympics, the Paralympics and the Special Olympics) in which deaf athletes could compete at an elite level. Dr CHEUNG asked how the facilities at MPSC would help nurture the deaf athletes in Hong Kong, in particular in training them to compete at an elite level.

47. PSHA said that in order to address the needs and concerns of the deaf (including the deaf athletes), the operations consultant employed by the Administration would consult the Hong Kong Sports Association of the Deaf ("HKSAD") when designing the facilities and venues in MPSC. She added that the Administration had also engaged a consultant to study the development of sports for people with disabilities and the consultant would also seek views from HKSAD. PSHA advised that the Administration would review its sports policy for disabled people and consider providing relevant training and supports to deaf athletes.

Estimated cost for the development of the sports complex

48. Citing the recent cases of cost overrun in some major public works projects, Dr KWOK Ka-ki was worried that MPSC would encounter the same problem. In this regard, he asked about the estimated construction costs for developing MPSC and the possibility of cost overrun. He also expressed

concern about the cost-effectiveness of operating the main stadium and enquired if the Administration would provide an estimated project cost of MPSC with detailed breakdown of the costs for the construction of the three sporting facilities when the Administration sought funds for the construction of the main works of the MPSC.

49. Mr Frederick FUNG expressed support for the development of MPSC. He shared the concern on cost overrun and asked if the pre-construction works would include a study on the mechanism to prevent project cost overrun and if the Administration would put in place relevant measures to prevent cost overrun.

50. Mr CHAN Chi-chuen commented on the limited information provided in the discussion paper and questioned why the amount of the overall estimated cost for developing MPSC was not given despite members' repeated requests made in PWSC.

51. PSHA responded that the Administration had provided supplementary information on the estimated project cost of MPSC to PWSC vide LC Paper No. PWSC165/14-15(01) on 30 April 2015 with detailed breakdown of the costs for the construction of the three sporting facilities in Annex D to that paper. She added that the current estimate for the full cost of MPSC project was about \$25 billion at the September 2014 price level. A more detailed and precise cost estimate would be available upon the completion of the pre-construction works, which included a technical services consultancy to prepare technical specifications and conceptual drawings for the main works, and a quantity surveying consultancy to review the cost of the main works. With extensive local and overseas experiences in constructing multi-purpose sports complex, the risk of cost overrun for developing MPSC was relatively low compared with other major infrastructure projects. The Administration might consider incorporating relevant safeguards in the tender documents to prevent cost overrun after making reference to international practices.

Concern about the "design-build-operate" approach

52. While expressing support for the development of MPSC and its pre-construction works, Mr Tony TSE expressed strong reservation about the adoption of the Design-Build-Operate ("DBO") approach for the project. He urged the Administration to examine the merits and demerits of different development approaches and explain to members the rationale for adopting the suggested development approach before making a final decision. Mr LEUNG Kwok-hung shared Mr Tony TSE's concern about adopting the DBO approach

for the project and queried if a suitable operator could be identified to take up such a huge project.

53. PSHA advised that the pre-construction works would include a study on different development approaches. The Administration would make a final decision on whether the DBO approach would be adopted only after completing the pre-construction works. She added that the DBO approach had been adopted in some overseas sport facilities and hence it would not be a problem in identifying a suitable operator to operate MPSC. The Chairman pointed out that the DBO approach had also been adopted for other Government projects.

54. Mr LEE Cheuk-yan requested the Administration to elaborate how MPSC would be operated under the DBO approach, which, in his view, tended to place emphasis more on making profit than on providing sports facilities to the community at affordable charges.

55. PSHA said that under the DBO approach, MPSC would be developed and managed by one single implementation consortium. It was assumed that the proposed MPSC would be operated in a self-financing mode though the operator would need to observe the operation and fee charging arrangements of the public sport facilities currently managed by the Leisure and Cultural Services Department when designing the mode of operation for key facilities in the indoor sports centre and public sports ground. PSHA advised that the Administration would include terms and conditions in the management contract with the future operator of MPSC and consider specifying the minimum usage of MPSC in hosting sports and community/charity related events.

56. At 9:24 pm, the Chairman said that unless members objected, he would extend the meeting to allow sufficient time for deliberating the item FCR(2015-16)22. Members raised no objection and the Chairman announced that the meeting be extended for 15 minutes up to 9:45 pm.

Voting on FCR(2015-16)22

57. There being no further questions from members, the Chairman put the item to vote. On members' request, the Chairman ordered a division and the division bell was rung for five minutes.

58. After members had cast their votes, the Chairman announced that 29 members voted for, 12 voted against the item and one member abstained. The votes of individual members were as follows –

For:

Mr CHAN Kam-lam
Mr Frederick FUNG Kin-kee
Prof Joseph LEE Kok-long
Ms Starry LEE Wai-king
Mr CHAN Kin-por
Mr IP Kwok-him
Mr Michael TIEN Puk-sun
Mr Steven HO Chun-yin
Mr MA Fung-kwok
Mr CHAN Han-pan
Mr LEUNG Che-cheung
Mr KWOK Wai-keung
Dr Elizabeth QUAT
Ir Dr LO Wai-kwok
Mr Tony TSE Wai-chuen
(29 members)

Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr WONG Ting-kwong
Mr CHAN Hak-kan
Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-yee
Mr NG Leung-sing
Mr YIU Si-wing
Mr Charles Peter MOK
Miss CHAN Yuen-han
Miss Alice MAK Mei-kuen
Mr Christopher CHEUNG Wah-fung
Mr POON Siu-ping
Mr Christopher CHUNG Shu-kun

Against:

Mr LEE Cheuk-yan
Ms Emily LAU Wai-hing
Mr CHEUNG Kwok-che
Mr WU Chi-wai
Dr KWOK Ka-ki
Mr SIN Chung-kai
(12 members)

Mr LEUNG Yiu-chung
Ms Cyd HO Sau-lan
Mr LEUNG Kwok-hung
Mr CHAN Chi-chuen
Dr Fernando CHEUNG Chiu-hung
Dr Helena WONG Pik-wan

Abstained:

Mr Gary FAN Kwok-wai
(1 member)

59. The Chairman declared that the Committee approved the item.
60. The meeting was adjourned at 9:45 pm.