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Panel on Home Affairs

Minutes of meeting
held on Monday, 18 June 2021, from 8:45 am to 11:20 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon LEUNG Che-cheung, SBS, MH, JP (Chairman)
Hon Michael TIEN Puk-sun, BBS, JP
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, GBS, JP
Hon KWOK Wai-keung, JP
Hon Jimmy NG Wing-ka, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai, JP
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Hon Vincent CHENG Wing-shun, MH, JP

Member absent : Hon WONG Kwok-kin, SBS, JP (Deputy Chairman)

Public Officers attending : Item III

Dr LAW Chi-kwong, GBS, JP
Chairperson of the Community Care Fund Task Force under
the Commission on Poverty
Secretary for Labour and Welfare

Miss Helen TANG, JP
Deputy Secretary for Home Affairs (1)

Mr Kenneth CHAN Siu-yum
Principal Assistant Secretary for Home Affairs (Civic
Affairs)2

Ms Cora HO Lai-sheung, JP
Deputy Secretary for Education (6)

Mr CHAN Nap-ming, BBS
Project Director (1)
Transport and Housing Bureau

Mr Stephen WONG Wing-hung
Project Director (2)
Transport and Housing Bureau

Ms PANG Kit-ling
Assistant Director (Family and Child Welfare)
Social Welfare Department

Mr Daniel LO Tsz-chiu
Chief Manager (Allied Health)
Hospital Authority

Item IV

Mr Caspar TSUI Ying-wai, JP
Secretary for Home Affairs

Mr YEUNG Tak-keung, JP
Commissioner for Sports
Home Affairs Bureau

Mr Paul CHENG Ching-wan
Principal Assistant Secretary for Home Affairs (Recreation
and Sport)1

Item V

Mr Caspar TSUI Ying-wai, JP
Secretary for Home Affairs

Ms Zorina WAN Hiu-yan
Principal Assistant Secretary for Home Affairs (Recreation
and Sport)2

Ms Doris HO Pui-ling, JP
Head
Policy Innovation and Co-ordination Office

Ms Fabia TAM Cheuk-chi
Assistant Head (2)
Policy Innovation and Co-ordination Office

Clerk in attendance : Ms Joanne MAK
Chief Council Secretary (4) 7

Staff in attendance : Mr Raymond SZETO
Senior Council Secretary (4) 6

Miss Vivian YUEN
Legislative Assistant (4) 8

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I. Information paper(s) issued since the last meeting

Members noted that no information paper had been issued since the last meeting.

II. Items for discussion at the next meeting

[LC Paper Nos. CB(4)1105/20-21(01) and (02)]

2. The Panel agreed to discuss the following items proposed by the Administration at the next regular meeting on 12 July 2021 at 4:30 pm:

- (a) Territory-wide Physical Fitness Survey for the Community; and
- (b) grooming of talents and administrators in the arts and culture sector.

III. Community Care Fund

[LC Paper No. CB(4)1105/20-21(03) and (04)]

3. At the invitation of the Chairman, the Chairperson of the Community Care Fund Task Force ("C of CCF Task Force") briefed members on the Administration's paper [LC Paper No. CB(4)1105/20-21(03)].

Discussion

Financial position of CCF

4. Members expressed support for the work of the Community Care Fund ("CCF") and suggested that CCF should consider expanding the coverage of its programmes to help more persons in need. Mr YIU Si-wing noted that the available balance in CCF was about \$7 billion, which was a significant downward adjustment from earlier levels and could affect the income ability of the fund. He enquired whether additional financial injections would be sought from the Legislative Council ("LegCo"). Mr Vincent CHENG expressed similar views. Mr SHIU Ka-fai suggested that the Administration might consider soliciting additional funding from the business community.

5. C of CCF Task Force said that the current funding balance of CCF should be enough to cover a variety of programmes at least for another two years until late- 2023. The Government would review the overall funding situation of CCF, so as to allow the next-term Government to comprehensively consider CCF's position, including whether additional funds would be sought from LegCo.

6. C of CCF Task Force further said that the initial funding for CCF received from the business community back in 2011 was \$1.8 billion, which fell short of the original target of \$5 billion. As understood by the Administration, the shortfall was the result of two factors affecting contributions from the business community: (i) the concern that donations to CCF from the business community would scale back other donations to NGOs through direct donations; and (ii) the worry that donating to CCF, which was essentially a Government-controlled fund, would undermine the autonomy on deciding the intended use of the donations. As such, while CCF continued to welcome donations from the business community, there was no plan for further fundraising campaigns to solicit funding from the business community.

Pilot Scheme on Support for Elderly Persons Discharged from Public Hospitals after Treatment

7. Mr Wilson OR said that the Pilot Scheme on Support for Elderly Persons Discharged from Public Hospitals after Treatment was highly popular amongst the elderly. He queried whether the target participants of 2 000 persons for two years (from 2021 to 2023) for the extended scheme was sufficient for meeting the large demand.

8. C of CCF Task Force responded that the arrangements of the scheme were still under review. Meanwhile, in addition to the scheme concerned, the

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Administration also had put in place the Integrated Discharge Support Programme for Elderly Patients, which was funded by the Labour and Welfare Bureau and run by the Hospital Authority. The Administration would closely monitor the effectiveness of both programmes and make future adjustments as appropriate. As for the concern on the number of target participants, C of CCF Task Force explained that the target coverage of 2 000 persons was only an estimation based on the expected number of eligible persons.

Cash Allowance Trial Scheme

9. Mr Wilson OR expressed support for the Cash Allowance Trial Scheme ("CATS") launched on 17 June 2021 to relieve financial difficulties faced by grass-roots families who had been waiting for public rental housing ("PRH") for a long time. He suggested that the Administration should consider expanding the coverage of CATS to non-elderly one-person applicants and grass-root families who had been waiting for PRH for less than three years but with serious financial difficulties.

10. C of CCF Task Force said that financial assistance for non-elderly one-person applicants should be considered prudently. While there was a small number of non-elderly one-person applicants of PRH who were living alone, some other applicants of this category were living with parents in PRH or private housing. The Administration had observed that the phenomenon of young students in higher institutions applying for PRH had subsided in recent years, presumably deterred by the long line-up of PRH applicants. If financial assistance was provided for them, it might become a financial incentive enticing them to move out of their families to live alone to be eligible, thereby increasing demand for the housing market which was already in short supply.

11. Mr Vincent CHENG suggested that CCF should explore ways to provide assistance to other PRH applicants, such as households not living in PRH and not receiving Comprehensive Social Security Assistance ("CSSA") (commonly known as "N have-nots").

12. C of CCF Task Force said that the objective of CCF's financial assistance provided for N have-nots was meant to plug gaps and compliment various Government poverty alleviation policies and initiatives targeted for various groups in need, such as rent subsidies for PRH residents and CSSA recipients. CATS was unrelated to the said objective and, hence, there was no plan to extend its coverage to N have-nots.

Further assistance for persons impacted by the Coronavirus Disease 2019 ("COVID-19")

13. Mr MA Fung-kwok and Mr YIU Si-wing said that some people whose livelihood was impacted by COVID-19 had remained outside of the coverage of CCF's programmes. Noting that the CCF had rolled out an initiative providing a one-off ex-gratia cash allowance for patients of COVID-19, Mr MA enquired how CCF would continue with additional financial assistance schemes to help individuals who had financial difficulties due to the COVID-19 epidemic to make ends meet, particularly the self-employed individuals.

14. C of CCF Task Force said that the cash allowance concerned was intended as a one-off relief for locally confirmed COVID-19 patients facing financial hardship whilst being hospitalized in public hospitals for COVID-19 treatment. The Administration recognized the multitude of social problems caused by the COVID-19 epidemic, and thus specific financial assistance programmes relating to COVID-19 had been centrally implemented under the Anti-epidemic Fund ("AEF"). An example of these relief measures was the various rounds of subsidies disbursed under the Employment Support Scheme, the coverage of which included self-employed individuals. As AEF had taken the initiatives to help individuals tide over the epidemic, it was not envisioned that CCF would roll out such programmes on this front.

15. Mr Vincent CHENG enquired about the number of applications received for the one-off ex-gratia cash allowance and the total amount of allowance disbursed. Assistant Director (Family and Child Welfare), Social Welfare Department ("SWD") replied that as at 31 May 2021, the Administration had received 1255 applications, 1 153 of which had been approved with the allowance disbursed. The rest of the cases included three applications under vetting, 26 ineligible applications and 73 self-withdrawn cases.

Pilot Scheme to Subsidize Using Rooms in Hotels and Guesthouses as Transitional Housing

16. Mr YIU Si-wing and Mr Vincent CHENG expressed support for the Pilot Scheme to Subsidize Using Rooms in Hotels and Guesthouses as Transitional Housing ("the Pilot Scheme for Transitional Housing"), which was to rent about 800 suitable rooms in hotels and guesthouses with substantial vacancies for use as transitional housing through non-governmental organizations, with a total funding provision of \$95 million. They expressed concern that the application process had been quite slow. Mr YIU enquired whether the CCF funding would cover renovation costs, and whether additional provisions would be allocated to the Pilot Scheme for Transitional Housing if the total funding provision of \$95 million was exhausted.

17. Project Director (1), Transport and Housing Bureau ("PD(1)/THB") said that the Pilot Scheme had approved about \$30 million of subsidies to two proposals, covering about 240 rooms, and the recruitment for the needy tenants had been launched. He explained that the Pilot Scheme for Transitional Housing covered simple and minor renovations, as the rooms in participating hotels and guesthouses would only be used as transitional housing temporarily, and their status as hotels and guesthouses would remain unchanged. Substantial conversion works which would be time-consuming and requiring restoration were not anticipated. Since the Pilot Scheme for Transitional Housing was still in an early phase, the Administration would review it at a later juncture. As approved by the LegCo Finance Committee in June 2021, additional funding, if needed, could be made available from the funding scheme to support transitional housing projects by non-governmental organizations, of which \$8.3 billion had been allocated.

18. Mr Vincent CHENG enquired whether there were hurdles affecting the processing of applications by guesthouses and affecting their participation in the scheme. PD(1)/THB said that at present, 14 guesthouses applications vis-à-vis one hotel under the Pilot Scheme for Transitional Housing had been approved, despite the latter involving more rooms in total. The Administration would continue to keep in view of the situation and review the Pilot Scheme for Transitional Housing in suitable time.

Pilot Scheme on Living Allowance for Low-income Carers of Persons with Disabilities

19. Mr LUK Chung-hung noted that upon the completion of Phase II of the Pilot Scheme on Living Allowance for Low-income Carers of Persons with Disabilities, only 2 326 persons had received the allowance, which was less than 10% of the number of carers invited by SWD to apply for the allowance. He asked whether the low percentage of carers receiving the allowance was due to the stringent eligibility criteria of the scheme, particularly the maximum income level requirement set at 75% of the prevailing Median Monthly Domestic Household Income ("MMDHI"). He urged the Administration to relax the income level criterion.

20. C of CCF Task Force said that the Administration had been conducting a comprehensive review of the policy on carers, including financial allowances. He explained that the maximum income level at 75% of MMDHI had been adopted as an eligibility criterion across different schemes under CCF as a general income level reference for determining the eligibility of persons. In light of this, CCF had no immediate plan to review the relevant eligibility criterion for the aforesaid scheme.

Suggestions for new CCF programmes

21. Mr LUK Chung-hung said that patients with end-stage renal failure were often required to receive regular dialysis treatment, which was quite costly. At present, patients would receive Government financial assistance on the condition that he/she was medically diagnosed to be suitable for haemodialysis *only* (as opposed to being suitable for both haemodialysis and peritoneal dialysis). However, some dialysis patients might choose haemodialysis over peritoneal dialysis because the former allowed them to continue with their employment, but then they were not eligible for Government financial assistance and had to shoulder the high costs with their own means. He urged the Administration to consider implementing a scheme under CCF to provide subsidies for all patients with end-stage renal failure receiving dialysis treatment. C of CCF Task Force noted Mr LUK's suggestion.

IV. The Broadcasting Arrangements for the Tokyo Summer Olympic Games in Hong Kong

[LC Paper No. CB(4)1105/20-21 (05)]

22. At the invitation of the Chairman, the Secretary for Home Affairs ("SHA") briefed members on the salient points of the Administration's paper [LC Paper No. CB(4)1105/20-21(05)].

Discussion

Justification for purchasing the broadcasting rights of the Tokyo Summer Olympic Games ("TOG") with public money

23. Members in general welcomed the Administration's acquisition of the broadcasting rights of TOG to enable the citizens of Hong Kong to watch TOG events for free, which in turn, would be beneficial for promoting sports development in Hong Kong. Noting that the Administration had only announced the purchase recently, Mr MA Fung-kwok opined that the Administration should have considered intervening at an earlier juncture.

24. SHA said that the Administration had kept in view whether there were market interests in procuring the broadcasting rights since March 2020. While considering that the procuring of broadcasting rights should primarily be market-driven, the Administration noted that the impact of COVID-19 on Hong Kong's society had severely affected market interest in acquiring the broadcasting rights. In view of the exceptional circumstances of a market failure, the Administration considered it appropriate to intervene and acquire the rights in public interest as well as for fostering sports development.

25. Mr LAU Kwok-fan noted that participating broadcasters were free to solicit sponsorship and advertisements with no obligation to share revenue with the Government. Given that the broadcasting rights were procured with public money, he enquired whether the Administration would ask these broadcasters to contribute a portion of the revenue collected to promote local sports development. Mr YIU Si-wing expressed similar views, and urged the Administration to evaluate whether the present collaboration arrangement between the Government and the broadcasters might warrant regular acquisition of broadcasting rights of future Olympic Games by the Government.

26. SHA said that although the broadcasting rights of TOG were procured with public money, the participating broadcasters still had to fund programme production, which was a considerable financial commitment. Furthermore, participating broadcasters would be obliged to produce programmes to ensure full coverage of the Hong Kong athletes competing in TOG and to produce and broadcast programmes for promoting the development of local sports for 12 months after TOG. It was envisioned that the obligatory broadcasting arrangements could help retain the esprit de corp generated by the sports vibe for some time after TOG, which would be conducive to local sports development. As the decision to purchase the broadcasting rights was made only recently, it was not envisioned that participating broadcasters could make much profits from broadcasting and covering TOG.

27. Ms YUNG Hoi-yan enquired about the total expense of acquiring the broadcasting rights. SHA advised that owing to confidentiality, the actual sum of the acquisition could not be disclosed, but it was more economical than expected.

Broadcasting arrangements

28. Dr Junius HO expressed worry that the split of 900 hours and 2 000 hours between free-to-air television and pay television respectively would unjustifiably restrict the general public from free access to TOG events. SHA explained that the division of obligatory broadcasting hours was proportionate to the number of channels between free-to-air television and pay television available. He also stressed that these requirements were merely minimum thresholds, and given the public's keen interest in Olympic sports events, participating broadcasters should be covering broadcast of TOG beyond the minimum hours. Commissioner for Sports ("C for S") supplemented that the broadcasters were required to place broadcasts made on pay television onto their online platforms for viewing by non-subscribers free of charge.

29. Considering that the audience would favour more hours on live broadcasts, Mr Vincent CHENG enquired about the distribution of the obligatory coverage hours

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amongst live broadcasts, delayed broadcasts and highlights. He also enquired about the details of the obligation on producing programmes for promoting the development of local sports for 12 months after the TOG.

30. Mr Vincent CHENG and Mr LUK Chung-hung said that the Hong Kong public would also want to support the Mainland athletes in TOG, and urged the Administration to require broadcasters to cover these events as well.

31. SHA said that all of the participating broadcasters were required to provide full coverage of all events competing by Hong Kong athletes. He further said that broadcasters would be striving to broadcast popular events of TOG, such as the games of our national women's volleyball team. The Leisure and Cultural Services Department ("LCSD") would also set up viewing sessions at its venues to enhance the public's access to the broadcast of TOG events.

32. Mr LAU Kwok-fan suggested that the Administration should ask participating broadcasters to produce programmes highlighting the journey of the Hong Kong delegation from start to finish, such as behind-the-scenes features and interactive programmes with Hong Kong representatives.

33. SHA responded that there might be difficulties in covering the Hong Kong delegation before TOG due to social distancing requirements imposed by the organizer. Nonetheless, the broadcasters would strive to maximize coverage and promotion of TOG.

34. Mr YIU Si-wing opined that for the purpose of promoting diversity in sports development, less popular events in TOG should also be provided with adequate coverage. He urged the Administration to provide additional assistance in this regard by coordinating with participating broadcasters on facilitating air time. SHA advised that the obligatory coverage of 2 000 hours on pay television should provide coverage for a variety of sports events, including those that were less popular.

Participation of the Radio Television Hong Kong ("RTHK")

35. Noting that RTHK had not been included as a participating broadcaster and might not be able to provide live broadcast coverage of the events of TOG, the Chairman enquired about ways to boost RTHK's participation in covering TOG. Mr MA Fung-kwok suggested that the Administration should utilize RTHK as an outlet for broadcasting of the events of the Tokyo Paralympic Games ("TPG").

36. SHA said that RTHK would play an important role in the broadcasting of TOG and TPG, such as relaying delayed broadcasts and producing highlights with sign language and audio descriptions for persons with disabilities.

Anti-epidemic arrangements against COVID-19 and other issues

37. Mr YIU Si-wing and Mr Vincent CHENG enquired about the Administration's efforts in ensuring that the broadcasting work of TOG would not be disrupted by potential COVID-19 cases amongst the broadcaster crew present in Tokyo.

38. SHA said that the Administration would work closely with the organizer of TOG and the crews of participating broadcasters to ensure uninterrupted coverage of the sports events.

39. Mr MA Fung-kwok and Mr SHIU Ka-fai expressed concern about the COVID-19 vaccination and quarantine arrangements for Hong Kong athletes travelling to and from Tokyo. Noting that TOG would be closely followed by the National Games of China ("NGC") to be held in September 2021, members considered that special quarantine arrangements should be put in place to allow sufficient time for Hong Kong athletes to prepare for NGC upon returning to Hong Kong from TOG.

40. Mr SHIU Ka-fai enquired whether all Hong Kong athletes and staff on the Olympics delegation would be required to be vaccinated. He took the view that if an athlete had already received both vaccine shots, he/she should be exempted from quarantine arrangements. Mr LUK Chung-hung suggested that the Administration should consider exempting vaccinated athletes from having to keep a mask on while practicing.

41. SHA said that over 90% of the Hong Kong athletes on the Olympic delegation had already received COVID-19 vaccination. It was understood that some athletes or crew members did not receive the vaccination due to health conditions. SHA acknowledged that the existing quarantine arrangements for Hong Kong delegates travelling to and from Tokyo (14 days compulsory quarantine plus 7 days self-monitoring) might affect their training and conditioning. He pointed out that the Administration had previously approved the establishment of "sports bubbles", where athletes tested negative for COVID-19 would be allowed solitary training during quarantine upon returning to Hong Kong. SHA said that the Administration would consider whether special testing and quarantine arrangements could be put in place for athletes who had been fully vaccinated, although he stressed that a cautious approach would be adopted to prevent the spreading of COVID-19 amongst athletes.

42. A number of members expressed grave concern about an incident of political demonstration by Hong Kong athletes in the Fencing World Cup in November 2019. Ms YUNG Hoi-yan enquired about the follow-up actions taken against these athletes. Dr Junius HO suggested that Hong Kong athletes should be required to sign a pledge

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binding them from displaying political gestures during TOG. Violations of such pledge should be subject to disciplinary actions.

43. SHA said that Hong Kong athletes were professionals and there was no doubt that they would refrain from political demonstrations during TOG. The Sports Federation & Olympic Committee ("SF&OC") had also made it clear to the athletes on the Hong Kong delegation that sports competition should be separated from politics. He added that a mechanism was in place to follow up with improper conduct during sports events.

44. C for S supplemented that all Hong Kong athletes on the Olympics delegation would be required to sign an undertaking and confirm their understanding of SF&OC's guidelines, including the requirements of separating politics from sports competitions, prior to their departure for Tokyo. Violations by a Hong Kong athlete would be sanctioned, the penalty of which included suspension and disqualification.

V. Development of Water Sports Complex at Rehabilitated Shek O Quarry Site

[LC Paper No. CB(4)1105/20-21(06) and (07)]

45. At the invitation of the Chairman, SHA and Head, Policy Innovation and Co-ordination Office ("H, PICO") briefed members on the salient points of the Administration's paper [LC Paper No. CB(4)1105/20-21(06)].

(Post-meeting note: the PowerPoint presentation materials were issued vide LC Paper No. CB(4)1140/20-21(01) on 18 June 2021.)

Discussion

46. A number of members expressed support for the proposed development. Mr YIU Si-wing expressed support for the proposed water sports complex to be developed under the design, build, operate ("DBO") approach. He enquired whether the Administration had contacted potential tenderers to gauge market interests in bidding for the development. H, PICO said that a number of organizations expressed interest in undertaking the project after the announcement of the proposed development in the 2020 Policy Address and they were generally positive about the Government's proposal.

47. Mr KWOK Wai-keung expressed concern that the 25-year contract period of the DBO contract was a rather lengthy commitment with a single contracted party, and might stifle, instead of promote, innovation in the proposed water sports

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complex. Mr Holden CHOW said that while it was understandable that a DBO contract should allow a sufficiently long contract period so that the contracted party would be provided with business opportunities to recover the capital investment involved, he also took the view that a 25-year contract period might be too long. Mr LAU Kwok-fan and Mr SHIU Ka-fai enquired whether there were exit clauses in the DBO agreement allowing the Government to back out in the event that the DBO contracted party was unable to fulfil its contractual obligations.

48. SHA explained that the 25-year contract period was designed as a key incentive for ensuring commercial viability of the project, so as to entice tenderers to submit bids for the proposed development. Shorter contract periods (e.g. 10 years) might render the proposed development unprofitable, which might in turn discourage potential bidders. SHA said that there were various clauses obliging the contracted party to ensure compliance with the terms of the DBO agreement, including mandatory submission of progress reports, etc., in order to protect the Government's interests. SHA further said that there was an established mechanism to deal with issues of non-compliance. As a positive reinforcement to encourage compliance with contractual obligations, the Administration had included clauses stipulating a 10-year extension of the operation phase at the Government's discretion based on a number of factors including the contractual performance of the contracted party.

49. H, PICO supplemented that in order to monitor the contracted party's performance and compliance with contractual obligations, a working group comprising representatives of different Government departments would be set up to monitor and review the operation of the proposed development against the requirements of the DBO contract as well as commitments made by the contracted party. Moreover, the contracted party would be required to provide to the Government a performance bond, which would be deducted if it failed to meet the contractual obligations during the construction and operation of the proposed water sports complex.

50. H, PICO further pointed out that other than the land of the Site, the Administration would not provide any funding for the proposed development. In the worst case scenario where the water sports complex ceased to operate, there would be no substantive financial loss incurred to the Government.

51. Mr MA Fung-kwok enquired about details of the DBO contract's requirement obliging the contracted party to provide exclusive training facilities for the elite water sports supported by the Hong Kong Sports Institute ("HKSI"), such as windsurfing and other water sports to be designated by SHA, and how much time would be allocated to HKSI. SHA advised that the DBO approach could provide the flexibility needed for the contracted party to handle such matters in collaboration with HKSI and other sports associations in fulfilling the said requirement.

52. In response to Mr MA Fung-kwok's enquiry, H, PICO said that to avoid the water sports complex from being used as a hotel or a resort, the Administration would set out in the tender document that the lodging facilities should mainly serve athletes and participants of multi-day sports events and activities.

53. Mr YIU Si-wing expressed concern about the availability of parking spaces for private vehicles at the proposed water sports complex. To avoid worsening local traffic conditions, he urged the Administration to consider providing marine transport to facilitate access to the proposed water sports complex. Mr KWOK Wai-keung said that the proposed development should tie in with the Administration's "Invigorating Island South" initiative. He enquired whether the Administration would consider building a pier at Tai Tam Tuk to facilitate the provision of marine transport in the area to achieve synergy.

54. SHA advised that subject to technical and financial feasibility, the use of marine transport in the area as a means of transportation as well as a tourism attraction should be promoted. SHA added that as part of the technical assessment, the tenderer would have to consider the impact of the operation of the water sports complex on local traffic and propose for the Administration's consideration mitigation measures. Tenderers would be encouraged to consider alternative transportation means such as marine transport.

55. Noting that the Site was still zoned "Undetermined" ("U"), Mr LAU Kwok-fan asked why the Administration did not complete the statutory procedures to alter the planned use of the Site before tender invitation. This would transfer considerable risks to the contracted party as such applications were subject to the decision of the Town Planning Board ("TPB") and could stall the development if the application was unsuccessful.

56. SHA said that the Administration decided not to apply for changing the planned use of the Site prior to the design, build, operate ("DBO") tender to provide the tenderers with greater flexibility to devise the most appropriate design for the proposed water sports complex. It should also be noted that the time required for the Administration to apply for changing the planned use of the Site now would not be very different from the contracted party submitting such application itself, so rather than hastily arranging for such, the Administration considered it more appropriate to allow the contracted party to take forward the development at its own pace while working with the relevant Government departments on completing the statutory requirements for the development, such as the Environmental Impact Assessment and Transport Impact Assessment.

57. H, PICO supplemented that as the Site was zoned "U", any development on the site would require TPB's approval. The processing time for the contracted party

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to secure TPB's approval for a specific development proposal could be shorter, and TPB's decisions could be made within two months of submission. The Administration would facilitate the contracted party's TPB application.

58. Mr SHIU Ka-fai said that while he supported the development in principle, it seemed to him that the objectives of strengthening elite training and promoting sports in the community were contradictory. He expressed concern that the contracted party of the DBO contract might have difficulties in balancing between providing affordable water sports facilities for the general public and maintaining profitability. Mr YIU Si-wing opined that the proposed water sports complex should be in favour of the promotion of water sports in the community over the strengthening of elite sports training.

59. Mr KWOK Wai-keung and Ms YUNG Hoi-yan expressed concern that the development might turn into an exclusive club for the wealthy due to the contracted party's primary goal to maximize profits. They called on the Administration to ensure that the proposed water sports complex would be open to the general public on a non-discriminatory basis and at an affordable rate. Ms YUNG asked whether the Administration would consider taking forward the development on its own instead of adopting the DBO approach.

60. SHA explained that the objectives of strengthening elite training and promoting sports in the community were not contradictory. SHA and H, PICO advised that the Administration had duly considered the possibility of the proposed water sports complex straying from its original purpose and turning into an exclusive club. To prevent such from happening, the Administration had included inclusiveness for the general public and the affordability of the proposed charges for the facilities as key assessment criteria for the tender assessment. Specifically, proposals involving an exclusive membership system would not be accepted as a mode of operation.

61. H, PICO further advised that the Administration had considered constructing and operating the proposed water sports complex itself. At present, there were five such complexes run by LCSD providing lessons for three types of water sports: dinghy sailing, windsurfing and kayaking/canoeing. Since it was envisioned that the water sports complex would provide a much greater variety of water sports, the Administration held the view that LCSD might not possess the requisite expertise to operate the complex, and should instead leverage private sector expertise for better implementation. The overall goal of adopting the DBO model was to tap into the innovation of private tenderers to identify the most suitable mode of operation without being bound by procedural hurdles that would arise had it been a Government-run complex. To help the contracted party sustain profitability, the Administration would allow one-fifth of the gross floor area to be allocated for

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non- sports commercial usage such as catering and lodging. Mr YIU Si-wing suggested that the Administration should consider increasing the percentage of gross floor area available for non-sports commercial usage as additional financial incentives to entice more tenderers.

62. Mr SHIU ka-fai considered that the Site with an area of 35 hectares was quite a sizable land lot for private development. H, PICO explained that of the 35 hectares of space available, only 24 hectares were landside area and only 5.5 hectares were flat land area. The rest of the land area was artificial slopes not developable without substantial slope cutting.

(At 10:43 am, the Chairman directed that the meeting be extended to allow sufficient time for all the members who had requested to speak to raise their questions and for the Administration to respond to those questions.)

VI. Any other business

63. There being no other business, the meeting ended at 11:20 am.

Council Business Division 4
Legislative Council Secretariat
23 August 2021