

For Discussion on
10 January 2014

Legislative Council Panel on Home Affairs

Planning of the Kai Tak Multi-purpose Sports Complex (MPSC)

Purpose

This paper briefs Members on the progress with the planning of the Kai Tak MPSC and seeks Members' views on the establishment of a dedicated unit in the Home Affairs Bureau (HAB) to take forward the implementation of the project.

Planning of the MPSC

Background

2. The Government's policy for developing sport in Hong Kong has three broad objectives: to promote sport in the community, to support elite sport, and to make Hong Kong a centre for major international sports events.
3. The Government provides sports facilities in accordance with our policy objectives for sports development. Whilst the redevelopment of the Hong Kong Sports Institute at Fo Tan has considerably improved the level of facilities available for supporting elite sport, we have a shortage of public sports facilities and also lack up-to-date venues that can host a wide range of indoor and outdoor major international sports events.
4. As regards **public sports facilities**, according to the parameters laid down in the Hong Kong Planning Standards and Guidelines (HKPSG), there is a general shortage of sports grounds and indoor sports centres in Hong Kong as a whole. In East Kowloon, specifically, based on the HKPSG standards and population projections for the three districts of Kowloon City, Kwun Tong and Wong Tai Sin we project that there will be a shortfall of three sports centres and one standard sports ground in East Kowloon by 2021. With regard to **venues for staging major sports events**, our current

venues have insufficient seating capacity, lack appropriate supporting facilities and lack flexibility of operation. The development of the Kai Tak MPSC will provide high-quality sports facilities that will help alleviate Hong Kong's shortage of public sports facilities and will also provide new venues suitable for hosting major local and international sports events.

5. In January 2012, in order to gain a clearer perspective of stakeholders' views on the planning and development of the MPSC, we invited non-binding expressions of interest (EOI) in the project. In response, we received 42 submissions from the architectural, construction, sports, entertainment and financial sectors. Respondents welcomed the proposal to develop a multi-purpose sports complex at Kai Tak, and there was considerable interest in the scope of the project and the timetable for development. A summary of the submissions is available on the HAB website <<http://www.hab.gov.hk/mpsc>>.

Financing of the MPSC

6. In order to assess the possible advantages of inviting private sector investment in the MPSC to reduce the overall capital cost of the project and to provide more innovative and creative management of the complex, we have conducted consultancy studies on the potential funding and procurement options for the project. We have also taken note of the fact that although some of the responses to the EOI exercise suggested that there may be private sector interest in a modest level of investment respondents generally felt that the project would require the Government to provide most or all of the capital cost for the project to be viable. Our consultancy studies found that full commercial funding of the MPSC would not be viable and that any private sector participation options would be financially viable only if the Government were to shoulder all the capital costs and guarantee the private sector a return on equity.

7. In the light of the feedback from the EOI exercise and our consultant's findings, we have concluded that construction of the MPSC should be funded through the Public Works Programme (PWP) and that the private sector should be involved in the long-term operation of the complex. This approach will offer the greatest certainty in terms of achieving our project objectives whilst also harnessing the expertise and creativity of the private sector.

MPSC - Project Scope

8. As reported to Members in November 2012, the MPSC will provide high-quality international sports venues as well as sports facilities and open space for the community. The site plan of the MPSC is at **Annex I**. The site is currently zoned as “Other Specified Uses (Stadium)” (marked in red in Annex I) and “Open Space (1)” (marked in orange at Annex I) in the Kai Tak Outline Zoning Plan. We also plan to develop at the same time an adjoining “Open Space” site (marked in blue at Annex I), which would complement the facilities at the MPSC site and which would otherwise likely remain vacant, thereby affecting the public’s access to and enjoyment of the MPSC.

9. With a mixture of sports facilities, open space, park features, office accommodation and retail and dining outlets, the MPSC will be open to the public throughout the day, seven days a week. The scope of the project comprises the development of the following facilities on a site of 28.2 hectares at the North Apron of the Kai Tak Development –

- a 50 000-seat stadium with a retractable roof;
- a public sports ground with permanent seating for 5 000 spectators, suitable for jogging, athletics training and competitions, and football and rugby matches;
- an indoor sports centre with a main arena with permanent seating for 4 000 spectators and a secondary arena with seating for 400 spectators to accommodate sports such as basketball, volleyball, badminton, table tennis and wushu;
- office space of at least 10 000 square metres;
- commercial space of at least 31 500 square metres to accommodate retail and food and beverage outlets;
- park features such as children’s play areas, tai chi areas, fitness stations and jogging trails;
- cycling trails connecting with the wider cycling network in the Kai Tak Development;

- a landscaped garden with covered seating;
- a grass area with shade and seating; and
- ancillary facilities such as lavatories, baby care rooms and store rooms.

The planned installation of a retractable roof on the main stadium aims to provide scope for a wide range of events and to protect the playing surface during adverse weather conditions. The related technology is familiar to stadium architects, and there are many successful examples of stadia with retractable roofs in other parts of the world. The current indicative master layout plan for the MPSC is at **Annex II**. Some responses from the EOI exercise indicated that it would be of long-term value to increase the office and commercial area. We would give due consideration to this aspect.

Project Estimate and Implementation

10. We estimate that the pre-construction works for the MPSC will cost about \$50 million, and we plan to seek the support of the Public Works Sub-committee (PWSC) and funding approval from the Finance Committee (FC) in May 2014, for the following specific works -

- (a) quantity surveying services for preparation of tender documents;
- (b) ground investigation;
- (c) topographic and tree surveys and utility mapping;
- (d) planning consultancy services; and
- (e) research studies on specialist technology and services related to stadium design and operation.

Subject to FC's funding approval, we plan to commence the pre-construction works in mid-2014 for completion in mid-2016. We are considering whether to procure the project through a design-build-operate contract or design-and-

build plus separate operating contracts. Our aim is to ensure that the design of the MPSC meets our long-term operational needs and encourages the contractors responsible for the design and construction to provide cost-effective solutions within a clearly defined time-frame. We currently aim to start construction of the MPSC in mid-2016 for completion in 2019-20. The rough cost estimate of the construction works is about \$23 billion (in September 2013 prices).

11. We have consulted the Kowloon City District Council as well as the sports sector on the proposed scope of the MPSC. They support the project and have requested its early implementation. We will consult the Task Force on Kai Tak Harbourfront Development under the Harbourfront Commission and the Kwun Tong and Wong Tai Sin District Councils on the project in the latter half of January 2014. We report regularly to the Sports Commission on progress, and the Commission has established a task force to monitor and advise on the project.

Interface with other infrastructure projects

12. Kai Tak Development (KTD) is a huge and highly complex development project spanning a total planning area of over 320 hectares covering the ex-airport site together with the adjoining hinterland districts of Kowloon City, Wong Tai Sin and Kwun Tong. It will provide land for a mix of community, housing, business, tourism and infrastructural uses and an extensive open space network of some 100 hectares including the Metro Park, the Station Square and the Sung Wong Toi Park. A number of infrastructure projects will be in progress at the same time as the MPSC, including the construction of Shing Kai Road (Road D2) and Shing Fung Road (Road D3), the District Cooling System, the Shatin to Central Link, and the Central Kowloon Route. In addition, the Civil and Engineering Development Department (CEDD) is conducting the Stage 2 Public Consultation on the Environmentally Friendly Linkage System (EFLS), proposing a detailed feasibility study to commence in early 2015 for completion by 2017 before a decision is made on the proposed EFLS. CEDD will separately brief the Panel on the subject in mid-2014. We need to ensure that there will be a smooth interface between these projects and the pre-construction and construction works on the MPSC.

Establishment of a Dedicated Unit in the HAB

Background and justification

13. Policy related to sports development is the responsibility of the Recreation and Sport (R&S) Branch of HAB. A detailed organisation chart and list of responsibilities of the Branch is at **Annex III**. The Branch is headed by an Administrative Officer Staff Grade B, supported at directorate level by one Administrative Officer Staff Grade C (AOSGC) officer. The R&S Branch is tasked with taking forward the MPSC project, among other responsibilities. To make good progress with the MPSC, we will require strong policy input and analysis in relation to the detailed planning and development of the project, including the implementation of a procurement plan; supervision of the master planning and design of the project; coordination of the individual venue planning issues; and interface with other projects at the KTD.

14. In addition to taking forward this complex and high-profile project, the R&S Branch will be required to commit to the comprehensive review of the policy on Private Recreational Leases (PRLs). The issues of utilisation and access to facilities on PRL sites have come under close scrutiny from Legislative Council (LegCo) Members and the media. The Ombudsman conducted a direct investigation in the subject in 2012, and the Audit Commission published an investigation report on the issue in November 2013, which was subsequently the subject of a public hearing by the Public Accounts Committee. In accordance with the recommendations of the Audit Commission, HAB will lead a comprehensive review in which the Development Bureau and the Lands, Planning and Rating and Valuation Departments will also take part. Issues to be considered will include: long-term policy objectives for sport; other potential uses for the concerned lots; financial considerations; the interests of the lessees, their members and staff; and the wider public interest.

15. In view of the significant increase in workload that the R&S Branch faces in taking forward the MPSC project and the comprehensive review of the PRL policy, as well as other issues related to sports development policy, we consider that there is a need to set up a small, and dedicated team in HAB, led by a directorate officer, to steer the implementation of the MPSC and the review of the PRL policy, to coordinate with all parties concerned and to ensure timely delivery of these initiatives. The officer heading the team should be sufficiently senior to take

forward these two complex and demanding tasks, both of which require a high level of policy input and extensive coordination with government and non-governmental organisations. Accordingly, we propose that a supernumerary AOSGC post, designated Principal Assistant Secretary (Recreation and Sport) 2 (PAS(RS)2), be created in HAB for a period of two years with effect from 1 April 2014. PAS(RS)2 will report to the Deputy Secretary in HAB (DSHA(2)) who oversees the R&S Branch. The proposed job description of the PAS(RS)2 post is at **Annex IV**. HAB will review the continued need for the post in the light of the actual workload and progress of the two issues concerned before the lapse of the post in March 2016.

16. We propose that the PAS(RS)2 be supported by three additional non-directorate staff, i.e., one Senior Architect, one Senior Engineer and one Personal Secretary I. One Senior Administrative Officer and two Senior Executive Officers will also be internally redeployed to support PAS(RS)2. The organisation chart of the R&S Branch showing the proposed posts is at **Annex V**.

Alternatives Considered

17. We have examined the staffing position in the R&S Branch of the HAB and explored the possibility of identifying spare capacity to perform the duties of the proposed AOSGC post. As mentioned in paragraph 13 above, the Branch is in charge of *all* matters related to sports development but has only two directorate officers. As the only PAS responsible for sports-related matters, PAS(RS) is heavily occupied with the existing schedule of work and with developing other new initiatives aimed at further promoting the development of sport in Hong Kong. Without the creation of the proposed supernumerary PAS(RS)2 post, the R&S Branch's ability to make good progress with the implementation of the MPSC project and the comprehensive review of the PRL policy will be severely affected.

18. We have examined whether the other seven AOSGCs responsible for different policy areas in HAB can absorb the proposed duties of the PAS(RS)2 post. These officers are working on a wide range of policy issues, including civic affairs, cultural matters and the West Kowloon Cultural Development Area. It is operationally not feasible for them to take up the tasks of the proposed AOSGC post without adversely affecting the performance of their duties. A dedicated AOSGC officer is therefore essential to provide a focused policy steer and ensure collaboration between different parties in the timely planning and implementation of the MPSC

project and the comprehensive review of the PRL policy. The detailed work schedules of the other seven AOSGCs in HAB are at **Annex VI**.

Financial Implications

19. The proposed creation of the supernumerary AOSGC post will bring about an additional notional annual salary cost at mid-point of \$1,739,400. The full annual average staff cost, including salaries and staff on-cost, is \$2,503,000.

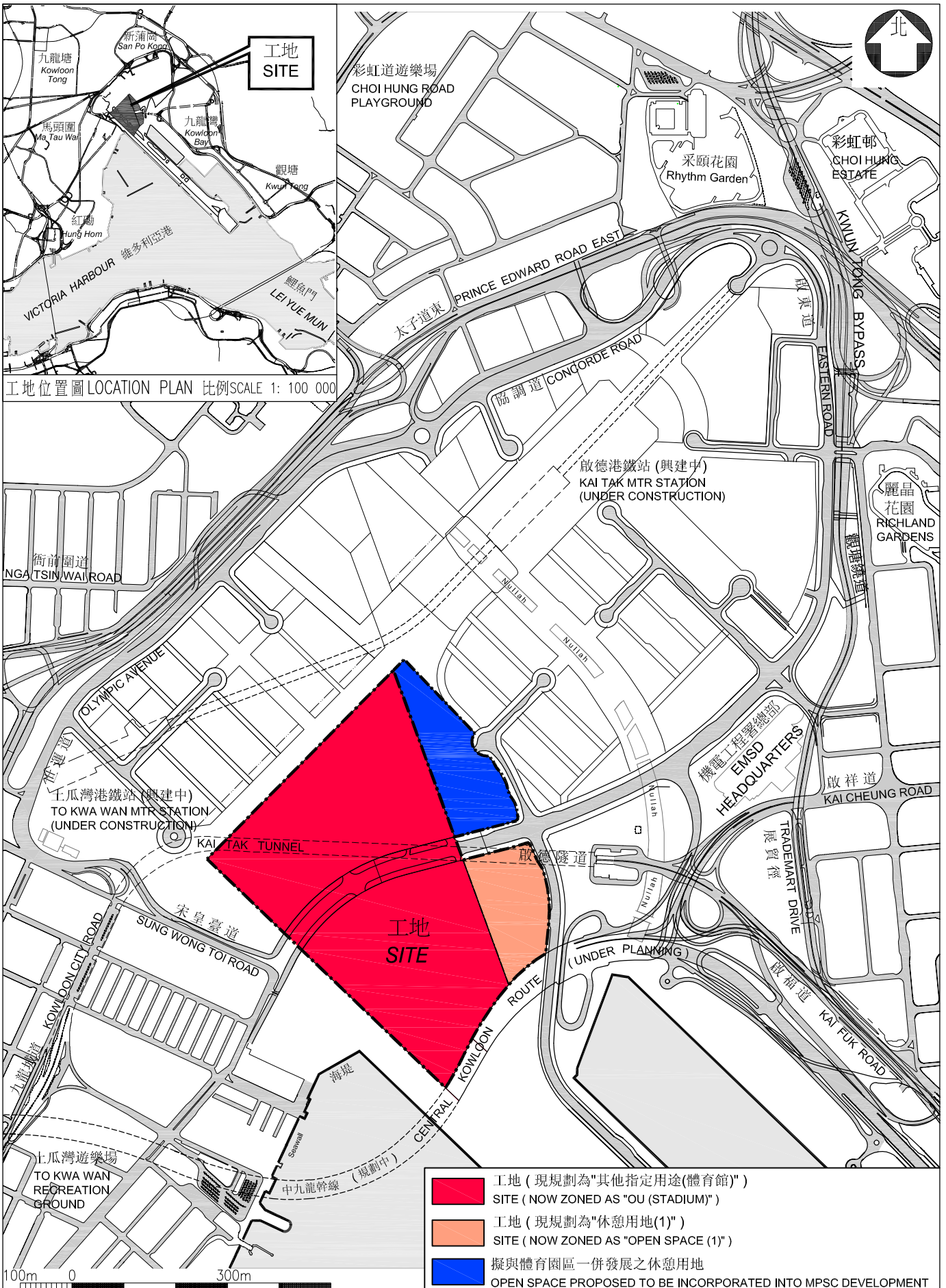
20. The additional notional annual salary cost at mid-point and the full annual average staff cost, including salaries and staff on-cost, for the three additional non-directorate staff mentioned in paragraph 16 above are \$2,664,240 and \$3,922,000 respectively.

21. We will include the necessary provision in the draft Estimates of the relevant financial years to meet the cost of this proposal.

Advice Sought

22. Members are invited to note the content of this paper and comment on the development of the MPSC at Kai Tak as well as the staffing proposal presented in this paper. Subject to Members' support, we will proceed to seek the approval of the PWSC and the Establishment Subcommittee (as appropriate) and FC.

**Home Affairs Bureau
January 2014**

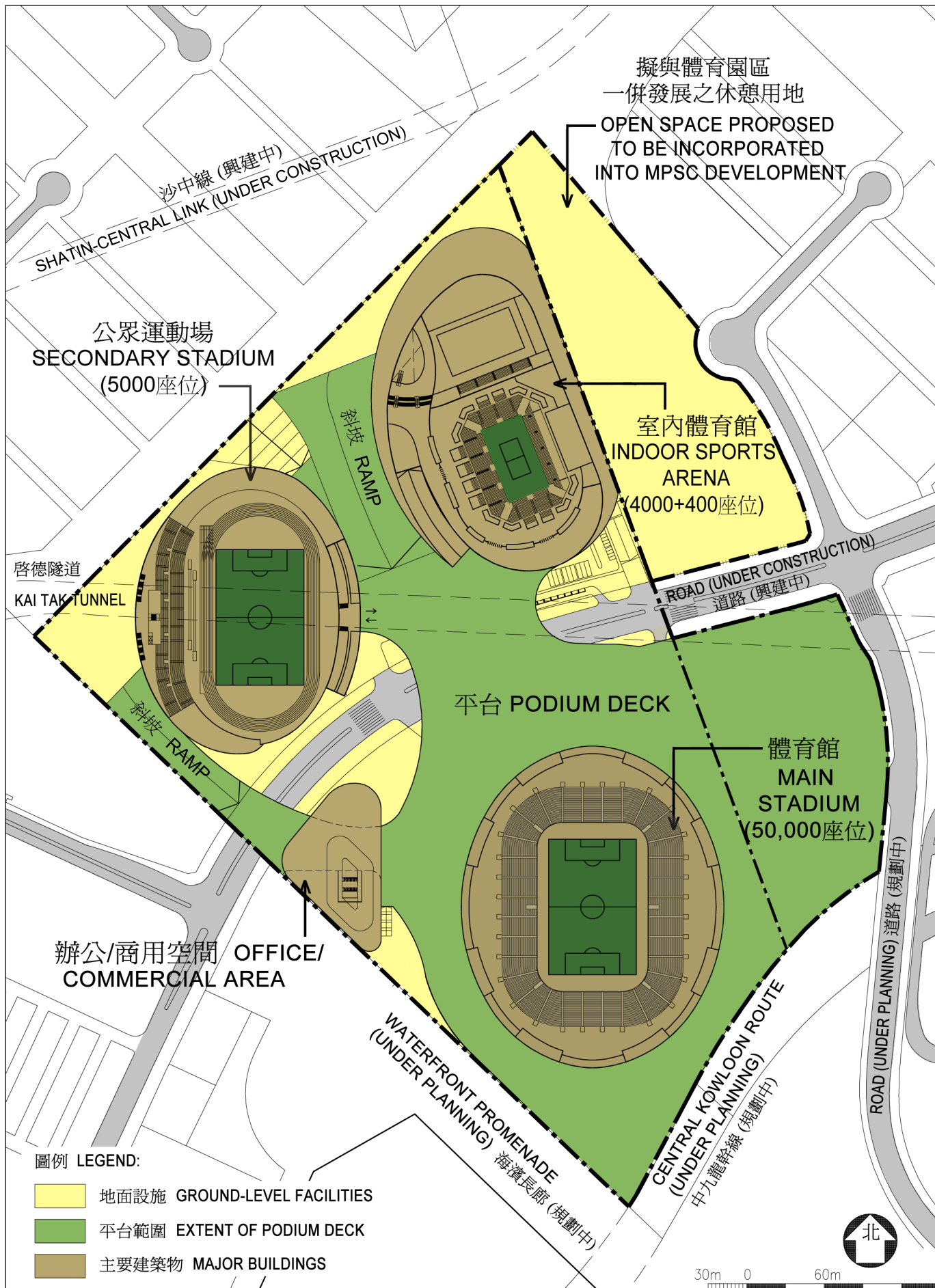


PROJECT TITLE 項目名稱
272RS

MULTI-PURPOSE SPORTS COMPLEX (MPSC) AT KAI TAK
啟德體育園區

SITE PLAN 工地平面圖

 ARCHITECTURAL SERVICES DEPARTMENT 建築署



PROJECT TITLE 項目名稱
272RS

MULTI-PURPOSE SPORTS COMPLEX (MPSC) AT KAI TAK
啟德體育園區

MASTER LAYOUT PLAN
總綱發展圖



ARCHITECTURAL
SERVICES
DEPARTMENT 建築署

Annex III

Responsibilities of the R&S Branch of HAB

- (a) Formulating and implementing policies and strategies in liaison with government departments, sports organisations and other relevant bodies in line with the established policy objectives to promote sport for all, develop elite sport and upgrade Hong Kong's position as a venue for major international sports events;
- (b) Planning and coordination of territory-wide sports and recreation public works projects;
- (c) Providing policy input to land matters relating to sport;
- (d) Resource management of the Hong Kong Sports Institute in support of elite athlete development, including overseeing the Hong Kong Sports Institute Redevelopment Project;
- (e) Administration of the Arts and Sports Development Fund to projects and programmes that will promote sport in the community; encourage young people's involvement in sport from entry level to elite performance, in particular in team sports; allow local sports associations to host high quality international events; and ensure full support for Hong Kong athletes preparing for and participating in major international competitions;
- (f) Working with the Hong Kong Football Association, the Hong Kong Jockey Club and other stakeholders on a long-term sustainable strategy for the promotion and development of football in Hong Kong;
- (g) Supporting the work of the Sports Commission and its Committees;
- (h) Administration of the Sir David Trench Fund for Recreation; and
- (i) Housekeeping the Leisure Services Division of the Leisure and Cultural Services Department.

**Job Description of
Principal Assistant Secretary (Recreation and Sport) 2**

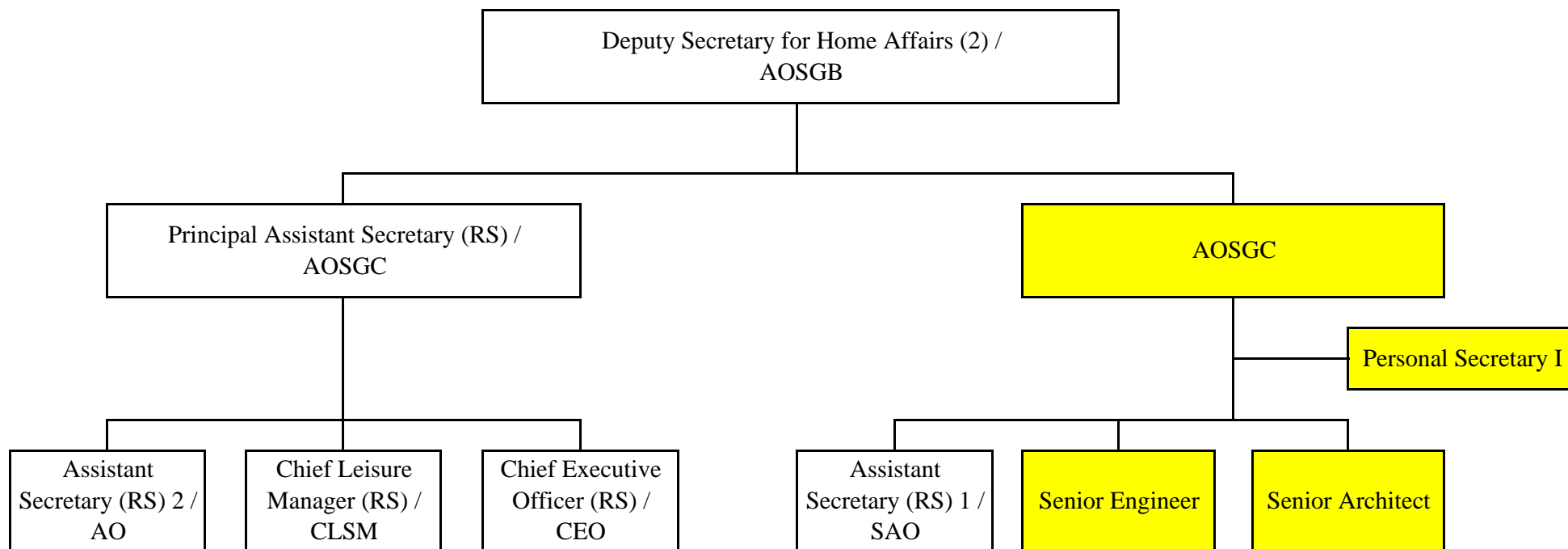
Rank: Administrative Officer Staff Grade C

Responsible to: Deputy Secretary for Home Affairs (2)

Main Duties and Responsibilities:

1. To steer and coordinate with all parties concerned the detailed planning and implementation of the MPSC project at Kai Tak;
2. To provide policy input and strategic analysis in relation to the development of the project, and to identify potential obstacles and recommend practical and timely solutions to senior officers;
3. To implement a procurement and financing plan that will help ensure the long-term viability and value for money of the MPSC;
4. To monitor the progress of master planning, design and construction to ensure timely delivery of the project and supervise the event planning for the various venues at the MPSC;
5. To monitor the implementation of schemes to allow greater public access to lessees' facilities under the terms of the Private Recreational Leases (PRL);
6. To follow-up on the recommendations of the comprehensive policy review on PRLs; and
7. To oversee the planning of new public sports facilities and other land matters relating to sports and recreational use.

Proposed Organisation Chart of the Recreation & Sport Branch



Note: Proposed time-limited new posts are highlighted in yellow.

Annex VI

**Duties and Responsibilities of
the Other Principal Assistant Secretaries in the Home Affairs Bureau**

- (1) PAS(Civic Affairs)1 is responsible for youth matters (including subventions for the uniformed groups), Youth Square, Service Corps, Youth Hostel, civic education and national education outside schools, non-charitable fund-raising permits under the Summary Offences Ordinance, postage stamp policy, volunteerism policy and Neighbourhood Level Community Development Projects. The officer is also appointed as the secretary to the Commission on Youth and the Committee on the Promotion of Civic Education.
- (2) PAS(Civic Affairs)2 is responsible for legal aid and free legal advice policy matters, family matters, maintenance and wills. The officer is also responsible for housekeeping matters of the Legal Aid Department and subventions for the Duty Lawyer Service and the Legal Aid Services Council, and is appointed as the secretary to the Family Council.
- (3) PAS(Civic Affairs)3 is responsible for gambling policy, social enterprises policy, information policy, entertainment licensing, matters relating to public sector advisory and statutory bodies, liaison with religious bodies, and matters relating to the Board of Management of the Chinese Permanent Cemeteries and the Chinese Temples Committee. The officer is also responsible for the Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas, and the Secretary for Home Affairs Incorporated properties and trust funds, and is appointed as the secretary to the Betting and Lotteries Commission, the Ping Wo Fund Advisory Committee and the Social Enterprise Advisory Committee, as well as responsible for overseeing the operation of the public affairs forum.
- (4) PAS(Community Care Fund) is responsible for leading the Community Care Fund (CCF) Secretariat in taking forward the initiative of the CCF, liaising closely with relevant bureaux and departments as well as stakeholders on supporting the CCF Task Force and the Commission on Poverty, engaging the public and stakeholders in mapping out the assistance programmes under the CCF. The officer is also responsible for ensuring prudent deployment of funds from the CCF for meeting its

overall objective, and implementing the CCF programmes, in particular those which assist people who could not benefit from the Government's short-term relief measures.

- (5) PAS(Culture)1 is responsible for policy on arts and cultural software, funding and development of performing arts policy, the Arts Development Fund, subventions for major performing arts groups, and cultural exchange between Hong Kong and the Mainland, Macao and Taiwan (including the "Mainland/HK Closer Economic Partnership Arrangement" and the Hong Kong – Taiwan Cultural Co-operation Committee). The officer is also responsible for the Sub-committee on Funding for Performing Arts and the Sub-committee on Arts Education under the Advisory Committee on Arts Development; the arts portion and the portion related to the Hong Kong Arts Development Council of the Arts and Sport Development Fund; as well as housekeeping of the Hong Kong Arts Development Council and the Hong Kong Academy for Performing Arts.
- (6) PAS(Culture)2 is responsible for policies on public and private museums, public libraries, public art with regard to visual arts, planning of cultural and performance facilities of the Leisure and Cultural Services Department (LCSD), intangible cultural heritage and development of Cantonese Opera, as well as cultural exchange between Hong Kong and other countries. The officer is also responsible for matters relating to the Hong Kong Jockey Club Music and Dance Fund, the Lord Wilson Heritage Trust and the Hong Kong Arts Centre.
- (7) PAS(West Kowloon Cultural District) is responsible for monitoring the performance of the West Kowloon Cultural District Authority (WKCDA) in fulfillment of its objectives and roles as stated in the WKCDA Ordinance and overseeing the interface issues between arts and cultural facilities operated by WKCDA and those operated by LCSD, as well as liaising with WKCDA to oversee the institutional set-up and establishment of the governance mechanism for museum and performing arts venues. The officer is also responsible for monitoring the progress in planning of programmes and services by WKCDA for the opening of Phase 1 facilities in WKCD and overseeing WKCDA's policy and work in nurturing local arts talents, engaging stakeholders and building up audiences, as well as housekeeping of WKCDA.
