

**立法會**  
**Legislative Council**

LC Paper No. CB(2)3082/02-03  
(These minutes have been seen  
by the Administration)

Ref : CB2/PL/HA

**Panel on Home Affairs**

**Minutes of meeting**  
**held on Monday, 14 July 2003 at 10:45 am**  
**in the Chamber of the Legislative Council Building**

**Members present** : Hon Andrew CHENG Kar-foo (Chairman)  
Hon IP Kwok-him, JP (Deputy Chairman)  
Dr Hon David CHU Yu-lin, JP  
Hon Cyd HO Sau-lan  
Hon NG Leung-sing, JP  
Hon James TO Kun-sun  
Hon Emily LAU Wai-hing, JP  
Hon Timothy FOK Tsun-ting, SBS, JP  
Hon Henry WU King-cheong, BBS, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon Michael MAK Kwok-fung  
Dr Hon LO Wing-lok, JP  
Hon WONG Sing-chi  
Hon MA Fung-kwok, JP

**Member attending** : Hon Fred LI Wah-ming, JP

**Members absent** : Hon Albert HO Chun-yan  
Hon Andrew WONG Wang-fat, JP  
Hon WONG Yung-kan  
Hon LAU Wong-fat, GBS, JP  
Hon CHOY So-yuk  
Dr Hon TANG Siu-tong, JP  
Hon Albert CHAN Wai-yip

**Public Officers** : Item III  
**attending**

Mr Leo KWAN, JP  
Acting Permanent Secretary for Home Affairs

Ms Lolly CHIU, JP  
Deputy Secretary for Home Affairs (3)  
Mr Eddie POON  
Principal Assistant Secretary for Home Affairs  
(Recreation and Sports)

Mr Eddie POON  
Principal Assistant Secretary for Home Affairs  
(Recreation and Sports)

Mr Johnny WOO  
Assistant Director (Leisure Services)2,  
Leisure and Cultural Services Department

Item IV

Ms Lolly CHIU, JP  
Deputy Secretary for Home Affairs (3)

Mr Eddie POON  
Principal Assistant Secretary for Home Affairs  
(Recreation and Sports)

Mr Johnny WOO  
Assistant Director (Leisure Services)2,  
Leisure and Cultural Services Department

Item V

Mr Stephen FISHER, JP  
Deputy Secretary for Home Affairs (2)

Mrs Hedy CHU  
Principal Assistant Secretary for Home Affairs (3)

Mr PO Pui-leong  
Assistant Commissioner (Entertainment)  
Television and Entertainment Licensing Authority

Mr Lemuel WOO  
Senior Licensing Officer (Amusement) 1  
Television and Entertainment Licensing Authority

Mr Roger WONG  
Superintendent (Licensing)  
Hong Kong Police Force

Ms Angela CHIU  
Chief Inspector (Licensing)  
Hong Kong Police Force

Mr Winston LEUNG  
Acting Chief Building Surveyor (Rail and Licensing)  
Building Department

Mr LAI Man-hin  
Acting Deputy Chief Fire Officer (Licensing and  
Certification Command)  
Fire Services Department

**Clerk in attendance** : Miss Flora TAI  
Chief Assistant Secretary (2)2

**Staff in attendance** : Miss Lolita SHEK  
Senior Assistant Secretary (2)7

Mr Watson CHAN }  
Head, Research & Library Services Division }  
} For item II only  
Mr CHAU Pak-kwan }  
Research Officer 5 }

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**I. Information papers issued since the last meeting**

Members noted the following papers issued since the last meeting -

- (a) LC Paper No. CB(2)2475/02-03(01) -- paper on "Replacement of Planetarium Star Projector and Seating at the Space Theatre, Hong Kong Space Museum" provided by the Administration;

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- (b) LC Paper Nos. CB(2)2783/02-03(01) and (02) -- further submission from six owners of Tung Lam Court on the Building Management Ordinance (Cap. 344), and the response from the Administration;
- (c) LC Paper No. CB(2)2784/02-03 -- minutes of the case conference held on 29 May 2003 on the requests from Tai Po District Council (TPDC) members for the provision of a new civic centre and central library in Tai Po;
- (d) LC Paper Nos. CB(2)2784/02-03(01) and (02) -- letters dated 6 and 30 June 2003 from the Administration in response to TPDC members' requests made at the case conference held on 29 May 2003; and
- (e) LC Paper No. CB(2)2796/02-03(01) -- further submission from Mr CHAN Kwan-ming on the Building Management Ordinance.

**II. Proposed research outline on monitoring mechanisms for the implementation of international human rights treaties in selected places**

[LC Paper No. CB(2)2782/02-03(01)]

2. Members endorsed the research outline on monitoring mechanisms for the implementation of international human rights treaties in selected places proposed by the Research & Library Services Division (RLSD). The Chairman informed members that RLSD would complete the research study by October 2003 and would prepare the draft report for members' consideration in due course.

**III. Sports policy review - future sports administrative structure**

[Legislative Council (LegCo) Brief issued by the Home Affairs Bureau (HAB) on 9 July 2003]

3. At the invitation of the Chairman, Acting Permanent Secretary for Home Affairs (PSHA(Ag)) introduced the LegCo Brief issued by HAB on 9 July 2003 which outlined the following -

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- (a) justifications for the new administrative structure for sports development endorsed by the Executive Council on 8 July 2003;
- (b) the new Sports Commission (SC) and its three Committees which would replace the Sports Development Board (SDB);
- (c) future arrangement for funding allocation;
- (d) changes to be introduced to the Hong Kong Sports Institute (HKSI); and
- (e) financial, civil service and economic implications of the proposed arrangement.

4. Members also noted the submissions from a group of coaches for elite sports from HKSI and a group of staff from SDB which had been issued vide LC Paper Nos. CB(2)2830/02-03(01) and (02) respectively.

New SC and its Committees

5. The Chairman drew members' attention to his letter setting out 23 written questions he raised on the proposed sports administrative structure. The letter was tabled at the meeting and subsequently issued vide LC Paper No. CB(2)2832/02-03(02). He informed members that these questions had also covered most of the concerns of sports organizations and staff of SDB and HKSI. He requested the Administration to provide a written response after the meeting.

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6. The Chairman noted from paragraphs 8 to 10 of the LegCo Brief that major problems had been identified with the current administrative structure and that the Administration considered that the new centralized sports administrative structure would provide a solution to these problems. However, he pointed out that an independent statutory decision-making body responsible for the formulation and execution of sports policy was extremely important for the development of sport in Hong Kong. He considered it a retrograding step if the sport authority of Hong Kong was to be downgraded from a statutory SDB to an advisory SC which would not be vested with any executive powers.

7. In response, PSHA(Ag) explained that SDB had contributed to high-performance athlete training. However, he pointed out that sports development should also include other aspects such as the delivery and promotion of community sports. Under the existing administrative structure, there was a perceived overlap and lack of clarity in the delineation of roles and responsibilities between the various stakeholders responsible for sports development. A central institution was therefore necessary for taking the lead in overall policy planning, coordination, monitoring, and resources allocation

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in respect of sports development. The Administration considered that the establishment of a high-level SC to advise the Government on all matters pertaining to sports policy would be conducive to sports development in Hong Kong.

8. The Chairman said that he was not convinced that the new SC would be able to consolidate efforts of the various stakeholders and the sports community in sports development. He also queried how SC would be considered a high-level body when it was only advisory in nature without any executive powers. He expressed concern that with the dissolution of SDB which had also served to counter-balance the powers of the Secretary for Home Affairs (SHA), the new administrative structure would result in centralization of powers in the latter and hence a "rule of man". The Chairman added that the Government had failed to convince the public that the proposed new administrative structure would be able to solve the problems identified and a better option than the existing one. He opined that amending the Sports Development Board Ordinance (Cap. 1149) in order to improve and widen the cope of functions of SDB instead of replacing it with an advisory SC might be a better alternative.

9. PSHA(Ag) replied that extensive public consultation had been conducted on the sports policy review in 2002. The feedback received revealed broad-based support, especially among the sports community, for the proposed new sports administrative structure. He informed members that out of the 43 national sports associations (NSAs) which had submitted their views, 34 had supported the replacement of SDB with the new SC. PSHA(Ag) added that there was not any organization which could coordinate the formulation and implementation of sports policy as well as collaborating with different sectors of the community in sports development under the existing sports administrative structure. Under the new administrative structure, SC would be chaired by SHA and directly involved in the formulation of sports policy. It would also be directly related to the Government departments responsible for the execution of sports policy. He stressed that a strong partnership between the various stakeholders and different community sectors was required to facilitate sports development in Hong Kong and that SC would be in a better position to initiate such a partnership hence strengthening unity in the sports community to provide a better environment and more focused approach for elite training and the promotion of sports at all levels in the community.

10. Deputy Secretary for Home Affairs (3) (DS(HA)3) supplemented that under the existing sports administrative structure, SDB was only responsible for high performance sports training while the promotion and delivery of community sports were overseen by the Leisure and Cultural Services Department (LCSD). Under the new administrative structure, both areas would be under the purview of the new SC.

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Adm 11. The Chairman noted from paragraph 3 of the LegCo Brief that 380 submissions had been received in the consultation exercise in 2002. He requested the Administration to provide an analysis of the submissions in tabular form for members' reference. Both Ms Cyd HO and Ms Emily LAU supported the Chairman's request. Ms Cyd HO also noted from paragraph 5 of the LegCo Brief that editorials of five local newspapers had supported the proposed replacement of SDB with the new SC. She requested the Administration to provide the analysis of the relevant editorials of other newspapers for members' reference as well.

Adm 12. Ms Cyd HO asked why SDB had to be dissolved because of the unsatisfactory delivery of community sports which had all along been the responsibility of LCSD. She also sought clarification if SDB had performed the function of providing high performance sports training very poorly which warranted its dissolution. She considered that such function was extremely important for sports development in Hong Kong and should be continued in future. HKSI should also continue to play an important role in training coaches and elite athletes under the new administrative structure. Ms HO said that the administrative costs of SDB were unreasonably high and she had no objection to reducing the costs so as to redistribute the resources to promoting sports development directly. However, she expressed reservation that the new arrangements would be more effective than the existing ones, especially in the distribution of resources among NSAs which had all along been a major cause of complaints of the latter. She commented that details of future funding arrangements had not been provided by the Administration. In addition, the proposal for the new administrative structure had not addressed the issue of bridging the gap between community sports and high performance sports.

13. In reply, PSHA(Ag) informed members that the Community Sports Committee of SC would advise the Administration on the policy and funding priorities for community sports, sports in schools and sports for the disabled. The Committee would promote sports at all levels which provided a platform for nurturing elite athletes. He added that HKSI had contributed a lot to the high performance sports training and would certainly continue to play an important role in this respect.

14. Ms Cyd HO said that upon the dissolution of the two Municipal Councils, the Government had promised to delegate more powers to DCs. She opined that the responsibilities for the delivery of community sports should be delegated to DCs and that the control of district sports facilities should be granted to DCs and NSAs. She was therefore disappointed that DCs had not been involved in the new sports administrative structure. On the composition of the new SC, Ms HO noted that SHA would assume the chairmanship of the Commission. However, she pointed out that SHA might be too busy to devote much time and effort on sports development in Hong Kong. She also sought additional information on the membership of SC and its three Committees,

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whether their members would be remunerated, and whether the community would be involved in the formulation of sports policy and distribution of sport resources in future.

15. PSHA(Ag) responded that members of SC would be appointed by the Chief Executive. The composition of SC and the three Committees would aim at pooling expertise and experience in sports from different sectors of the community. He added that only a few Government officials would be appointed to SC.

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16. Ms Emily LAU requested the Administration to provide information on the savings that would be achieved from the re-structuring exercise and how they would be used. She also referred to the advice given by the Hong Kong, China Rowing Association at the special meeting on 22 June 2002 that Hong Kong should draw reference to the experience of Scandinavian countries where public sport activities and facilities were organized and managed by NSAs and community sports clubs instead of by the government. The Association had suggested that as past experience had proved that direct involvement of the Government in these activities had not been conducive to sports development in Hong Kong, these responsibilities should be passed onto NSAs. Ms Emily LAU sought clarification whether the Administration had rejected this suggestion in formulating the new sports administrative structure. The Chairman requested the Administration to provide a written response after the meeting.

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HKSI

17. Mr MA Fung-kwok noted from paragraph 16 of the LegCo Brief that most of the outdoor sports facilities in the existing HKSI site would be placed under LCSD management and made available for public use, but with priority booking accorded to HKSI for elite training as required under the new arrangement. He expressed concern that the loss of the control of the outdoor sports facilities might create difficulties for HKSI in its elite training programme. Mr MA suggested that HKSI should be allowed to retain the control of these facilities and that it should be given the opportunity to develop programmes to achieve optimum utilization of these facilities. He added that HKSI should retain the control of the site for possible expansion in the future.

18. PSHA(Ag) clarified that the management of indoor sports facilities in the existing HKSI site which were used for elite training would be retained by HKSI in future. However, many of the outdoor sports facilities, such as basketball grounds and golf driving range, were no longer used for elite sports training, thus under-utilized. The Administration considered that HKSI should concentrate its efforts on elite training and should not be sidetracked to oversee the management of facilities which were not related to the elite training programme. These facilities should therefore be best managed by LCSD and



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made available for public use. PSHA(Ag) stressed that HKSI would be still accorded with priority book for these facilities, if required. He assured members that the Administration would discuss with HKSI about the future use of the HKSI site, with a view to achieving more effective use of the land and sports facilities.

19. The Chairman, however, pointed out that outdoor facilities not directly related to the elite training items might still be used for the training of the physique of athletes. The Administration therefore should not remove the management of these facilities from HKSI just because of the low utilization rate.

20. Mr IP Kwok-him said that the proposed new sports administrative structure, which might be an improvement over the existing one, was acceptable to him. However, he considered that since the Government had devoted many efforts and resources on elite athlete training, it might not be worthwhile to cause confusion to the athletes concerned by removing the outdoor facilities from the control of HKSI. He opined that the Administration should provide the best environment to both the coaches and athletes, and the outdoor sports facilities should be returned to HKSI upon dissolution of SDB.

21. Sharing similar views, Ms Emily LAU also considered that HKSI should be allowed to manage the facilities. Mr NG Leung-sing pointed out that if the facilities concerned were to be made available for public use but with priority booking accorded to HKSI, clear guidelines should be set so as to prevent disputes over the use of these facilities.

22. Responding to the concerns of members about the management of outdoor sports facilities in the existing HKSI site, PSHA(Ag) reiterated that only those facilities, such as golf driving range, which were not used for elite training would be placed under the management of LCSD. Outdoor facilities which might be used for elite training most of the time might be allocated to HKSI. He assured members that discussion would be held with HKSI about the use of the facilities. Relevant arrangements would be finalized by 1 April 2004 when the existing SDB was to be dissolved.

23. Mr NG Leung-sing said that he supported the arrangements for the future sports administrative structure proposed in the LegCo Brief. He opined that LegCo Members should consider and comment on the directions of sports development and administrative structure instead of examining the minute details of the proposal. Referring to the new administrative structure, Mr NG sought clarification on the functions of the re-constituted HKSI. He also pointed out the status of HKSI was not clearly indicated in the schematic illustration of the future administrative structure for sports development at Annex D to the LegCo Brief. He suggested that HKSI should be placed directly under the Elite Sports Committee. He further noted from the terms of

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reference of the Elite Sports Committee at Annex B to the LegCo Brief that the Committee would advise the Administration on the policy direction of HKSI including coach education and accreditation. He expressed concern that there might be overlap in the functions of the Committee and HKSI which might impose restrictions on the operation of the latter. Both the Chairman and Mr Henry WU echoed the views of Mr NG Leung-sing that HKSI should be placed under the Elite Sports Committee.

24. On the relationship between the Elite Sports Committee and HKSI, PSHA(Ag) clarified that the former would advise on the policy direction of elite sports development while HKSI would implement the policy in regard to elite training. Hence, there was a close relationship between them. However, he stressed that as an implementation agent, HKSI would operate independently instead of under the Elite Sports Committee. The Government would continue to allocate funds directly to the Institute in accordance with the relevant policy. Assistant Director of Leisure and Cultural Services (Leisure Services)2 (AD of LCS (LS)2) added that such arrangements would be similar to those under the existing structure. He explained that at present, SDB determined the "Focus" sports based on which HKSI implemented its training programme.

25. Referring to paragraph 15 of the LegCo Brief, Mr NG Leung-sing noted that HKSI's performance would be monitored through the setting of performance targets and indicators in the annual funding cycle. He suggested that clear and reasonable indicators should be set for HKSI. The Administration should also determine the "Focus" sports that should be included in HKSI's elite training programme.

26. PSHA(Ag) replied that at present, 13 sports had been selected as "Focus" sports for the elite training programme. The Elite Sports Committee of SC would review these items regularly in future. As regards the performance indicators for HKSI, PSHA(Ag) advised that HKSI would develop its annual business plans according to which its performance would be assessed.

27. Mr NG Leung-sing further noted from paragraph 15 of the LegCo Brief that HKSI was expected to explore other sources of revenues, such as commercial sponsorships, and income derived from making use of its spare capacity and resources. Mr NG expressed concern that HKSI might not be able to devote all its efforts to elite sports training if it was required to supplement its funding by soliciting commercial and community sponsorships. It might also try to rent out its facilities so as to increase its income thus affecting the training of elite athletes.

28. Mr Henry WU declared interest as trustee of Elite Athlete Charitable Trust. He echoed the views of Mr NG Leung-sing that the requirement of HKSI to solicit private sponsorships might not be conducive to elite sports

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training. He pointed out that the re-constitution of HKSI to become an incorporated body upon dissolution of SDB might be regarded as corporatization of the Institute. However, he considered that it was the responsibility of the Government to nurture and train elite athletes because their good performance in international sports events would bring glory to Hong Kong. He informed members that from the experience of the corporatization of the Hong Kong Dance Company Limited, it was very difficult to obtain corporate sponsorships. He expressed concern that the funding source for HKSI would become unstable after it had been incorporated thus affecting its elite training programme. He urged the Government to provide sufficient resources for elite training.

29. In response to members' concerns about the funding for HKSI, PSHA(Ag) assured members that the Government would continue to support HKSI financially through annual subvention allocation. However, HKSI should make reference to the experience of its counterparts in other countries and explore other sources of revenues such as private donations and commercial sponsorships. He stressed that sponsorship would be resources in addition to government subvention to HKSI. The incorporation of HKSI would enable it to enjoy more flexibility in its financial arrangements so that it might be in a better position to enter into partnerships with the private sector and increase resources for elite training programme.

30. Mr Henry WU, however, maintained the view that HKSI should devote all its efforts to elite training and should not be engaged in soliciting private sponsorships which was a very time consuming task. PSHA(Ag) clarified that solicitation of other funding support would be related to elite training but it would not be a major task for HKSI. AD of LCS (LS)2 supplemented that under the existing administrative structure, NSAs had criticized that too large a portion of Government funds had been spent on SDB's administrative costs instead of on sports activities. Under the new arrangement, administrative costs would be cut but Government subvention on sports would not be reduced. The new administrative structure would enable more resources to be spent on sports activities directly. With sufficient resources for sports development, the Administration was confident that the restructuring exercise would not lead to any major problems. AD of LCS (LS)2 added that the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) and NSAs had also supplemented its revenues by seeking financial support from the private sector.

31. Mr Timothy FOK declared interest as President of SF&OC. He expressed concern that after incorporation, HKSI might compete with SF&OC in obtaining sponsorships and donations from the private and commercial sectors.

32. Mr Henry WU noted from paragraph 17 of the LegCo Brief that the Administration had proposed to dissolve SDB and established the new SC on 1

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April 2004. He said that in the corporatization exercises of other arts organizations, the implementation date was determined by negotiation. He asked why the new administrative structure had to be implemented so urgently. In reply, PSHA(Ag) explained that 1 April 2004 was a proposed implementation date only. He said that an organizing committee would be formed to prepare for the setting up of the new administrative structure.

33. Mr Henry WU was not convinced that there would be sufficient time to prepare for the restructuring exercise. He expressed concern that since the next Olympic Games would be held in 2004, such a drastic change would affect the performance of the athletes. Sharing similar views, both Ms Emily LAU and Mr Timothy FOK considered that the restructuring exercise should not affect the training of athletes and hence their performance in the 2004 Olympic Games. Mr FOK added that a stable training environment should be provided to athletes.

34. Referring to paragraph 21 of the LegCo Brief, the Chairman noted that the revenue to be generated from the venue rental of the facilities to be re-allocated to LCSD for management and made available for public use was estimated to be \$0.7 million per annum. He pointed out that there would be a reduction in revenue as compared with that of more than \$20 million of HKSI under the existing administrative structure. He expressed doubt how the Administration could convince members that the restructuring exercise would be able to channel more resources to sports development programmes.

35. AD of LCS (LS)2 explained that the estimated revenue of more than \$20 million of HKSI had included revenue derived from rental of both indoor and outdoor facilities of HKSI, whereas the \$0.7 million was the estimated revenue derived from rental of the outdoor facilities not required for elite training only. He reiterated that HKSI should concentrate on the delivery of high performance sports training and should not be engaged in other functions such as management of sports facilities.

36. Ms Cyd HO asked who would oversee the incorporated HKSI. She said that the restructuring exercise should not result in non-professionals leading the professionals in HKSI and SC. PSHA(Ag) advised that there would be paid staff in HKSI including the head of the Institute who would be responsible for overseeing the daily operation of the Institute. The Board of Directors of the incorporated HKSI would be appointed by SHA. Similar to members of SDB, members of the HKSI Board of Directors would mainly come from the sports community and receive no remuneration. He added that HKSI would be a delivery agent for high performance sports services. Under the new arrangement, training of coaches would be enhanced and more assistance would be provided in career development for retired elite athletes. It was hoped that with a brighter future for athletes, more young people would be attracted to participate in sports activities.

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Resource and funding allocation

37. Mr MA Fung-kwok noted that unlike SDB, the new SC would not be responsible for administering funding allocation to relevant bodies. He sought clarification on the control of the resources for sports development after dissolution of SDB. Ms Cyd HO also sought information on the organization responsible for funding allocation to NSAs and the funding criteria after the dissolution of SDB.

38. In reply, PSHA(Ag) informed members that the Government allocated more than \$2 billion to programmes related to sport and recreation annually, among which less than \$200 million were allocated to SDB. Under the new administrative structure, SC's three Committees would, in line with their advisory role, provide input to SC on funding priorities for the programmes and initiatives which fell under their respective purview. The Administration, having regard to the recommendations and advice of SC, would make policy decisions on the appropriation of resources to major sport-related programmes and initiatives and to sports bodies such as NSAs, SF&OC and the future HKSI as recommended by SC. LCSD would take up the executive responsibility for administering the funding support to the relevant bodies. PSHA(Ag) explained that such arrangement would solve the existing problem of overlapping functions between different stakeholders in sports development and funding sources so that NSAs would no longer be required to apply funding support from three different public organizations.

39. In response to a further question from Mr MA Fung-kwok on the allocation of resources for major sports events, PSHA(Ag) advised that the Major Sports Events Committee of SC would advise the Administration through SC on strategies and initiatives to facilitate the hosting of major sports events in Hong Kong through close collaboration with sports associations, tourism industry, and the private sector, and on funding priorities. LCSD would assume the executive responsibility for administering funding for major events.

40. Ms Cyd HO opined that the Government should be committed to allocate sufficient resources for the development of sports in Hong Kong. She asked if the Government allocation to sport and recreation services would be reduced amid the current cost saving exercise. She also considered that Government subvention to sports organizations should not be reduced with the private sponsorships they received. Instead, they should be allowed to retain the additional revenues for sports development programmes.

41. PSHA(Ag) replied that the Government had not intended to reduce its allocation to sports activities. He reiterated that the new administrative

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structure would generate savings and reduce administrative cost, hence enabling more resources to be spent on sports development directly.

42. Referring to the public consultation on sports policy review in 2002, Mr IP Kwok-him pointed out that many NSAs had urged the Government to allocate more resources to them as well as provide them with designated venue for training. Mr IP said that their requests had not been responded to in the proposed arrangements for the new sports administrative structure.

43. In response, PSHA(Ag) explained that the arrangements proposed in the LegCo Brief was the first step towards the reorganization of the sports administrative structure. With the establishment of SC, its Community Sports Committee would be responsible for advising the Government on the development and delivery of community sports. The views and suggestions of NSAs would be considered and addressed by the Committee in due course.

44. Mr IP Kwok-him, however, was of the view that the Government should respond to the strong and clear requests of NSAs immediately. He also considered it the responsibility of the Government to provide financial support to NSAs instead of requiring them to seek private sponsorships for their sports programmes. Echoing the views of Mr IP Kwok-him, Mr Timothy FOK urged the Government to allocate more resources to NSAs and designate regular sports venue for their training programmes.

45. AD of LCS (LS)2 responded that NSAs would continue to play a very important role in promoting sports development in Hong Kong. He assured members that the new administrative structure would facilitate the distribution of resources to NSAs and that more Government funds would be spent directly on supporting the programmes of NSAs and their athletes. As regards the provision of sports venue for NSAs, AD of LCS (LS)2 informed members that LCSD had implemented measures to assign special sports facilities to NSAs for training purposes. He added that under the new administrative structure, SC would coordinate and advise on sports policy to address the needs of NSAs.

Staff implications

46. Ms Cyd HO noted from paragraph 23 of the LegCo Brief that the majority of the 300 staff of SDB were engaged in HKSI-related activities. She enquired about the number of staff who would become redundant as a result of the restructuring exercise and urged the Government to retain the professional staff in HKSI upon dissolution of SDB. She pointed out that the Government had established SDB at the beginning but decided to dissolve it now on the ground that it was found to be not operating cost-effectively. Ms HO considered it unfair to the staff concerned that they had to be re-employed under non civil servant contract terms as a result of this Government decision.

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Sharing similar concerns, Ms Emily LAU sought clarification on the number of staff to be laid off upon dissolution of SDB.

47. Responding to the concerns of Ms Cyd HO and Ms Emily LAU on the staffing arrangements for HKSI, PSHA(Ag) clarified that at present, most of the 300 staff of SDB were engaged in HKSI-related activities. Upon dissolution of SDB, most of them would be retained by the re-constituted HKSI to continue with their present duties. He said that the Administration had already explained the arrangements to the coaches of HKSI and would continue to liaise with them closely on further developments. He added that some other staff members of SDB could be absorbed by HAB for the secretariat of the new SC while some of those who were engaged in administrative work might become redundant. The exact number had yet to be determined pending a detailed assessment of future staff requirements. PSHA(Ag) assured members that to ensure a smooth transition, the Administration would endeavour to minimize the number of forced redundancies through re-deployment and re-employment. Details would be worked out in consultation with SDB and other relevant parties.

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48. Members agreed that a special meeting should be conducted on Tuesday, 29 July 2003 from 9:00 am to 12:45 pm to receive views from interested parties on the new administrative structure. The Chairman requested the Administration to provide before the special meeting a written response to his written questions on the new administrative structure, and all the information requested by members including the number of staff to be laid off and the amount of savings generated from the restructuring exercise, as well as the amount of Government resources to be allocated for sports development.

*(Post-meeting note : the response from the Administration to the written questions from the Chairman was circulated to members vide LC Paper No. CB(2)2911/02-03(08) on 28 July 2003.)*

#### **IV. The Fifth East Asian Games**

[LegCo Brief issued by HAB in June 2003]

49. Members noted the LegCo Brief issued by HAB on the Fifth East Asian Games (EA Games) in June 2003 which provided the justifications for the Government support for SF&OC in its application for hosting the EA Games in 2009, as well as the proposed modus operandi, and financial, civil service and economic implications of the proposal. Members also noted that the Administration had planned to seek in-principle funding agreement from the Finance Committee (FC) for the proposal on 18 July 2003, the last FC meeting in the 2002-03 legislative session.

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Financial implications

Adm 50. Ms Cyd HO opined that there was not sufficient information on the financial implications of the proposal in the LegCo Brief. She requested that more details on the estimated income, such as that derived from the television rights listed in Annex B to the LegCo Brief, should be provided for members' reference before the proposal was submitted to FC for consideration. She also asked the Administration to provide more information on the estimated expenditure, such as whether the \$19M to be spent on upgrading the venues to accommodate spectators, media and competitors to the standards for the Games would be an additional expenditure or annual spending on the maintenance of sport facilities. Ms HO added that the Government had commissioned a consultancy study on the hosting of the 2006 Asian Games in 2000 and detailed estimates of income and expenditure had been prepared. She requested that the Government should prepare similar estimates of the proposal for the hosting of the 2009 EA Games and compare them with those of the 2006 Asian Games for members' reference.

Adm 51. Echoing the views of Ms Cyd HO, Mr Tommy CHEUNG considered that more details on the estimated expenditure should be provided for members' reference although he did not object to the proposal to organize the 2009 EA Games. He said that most public sport facilities in Hong Kong, which were multi-purpose facilities, were not able to meet the international standard for holding competition events. He sought more information on the upgrading works to be conducted on these facilities and urged the Administration to ensure that the proposed improvement works would be able to upgrade these venues to the acceptable standard. Otherwise, not only would the performance of the athletes be affected, the image of Hong Kong would also be damaged. He requested the Administration to provide the additional information to members before the FC meeting on 18 July 2003.

52. Mr Timothy FOK declared interest as the President of SF&OC. He said that he shared the views of Mr Tommy CHEUNG and considered that the Government should upgrade the sports venues so that international competitions could be held there irrespective of whether the 2009 EA Games would be organized in Hong Kong. He also urged the Administration to provide more details of the estimates of income and expenditure.

Adm 53. Sharing the concerns of other members, the Chairman and Ms Emily LAU also urged the Administration to provide more details on the estimated income and expenditure. The Chairman pointed out that under the present stringent financial situation, the total financial implication of \$89M to the Government estimated in paragraph 11 of the LegCo Brief was not a small commitment. Moreover, the Administration had to provide more details to prove that the anticipated income of \$87M was a realistic estimate. The Chairman said that he felt that the Government had not learned from the failure



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of its bid to host the 2006 Asian Games. He supported the request from Ms Cyd HO for the provision of figures comparing the estimates of the 2006 Asian Games with those of the 2009 EA Games. The Chairman also expressed doubt that Hong Kong would be able to raise its prestige and profile in the region or foster its sporting culture by hosting the 2009 EA Games as suggested in paragraph 2 of the LegCo Brief. He requested the Administration to respond to the concerns and requests of members in writing before the FC meeting on 18 July 2003.

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#### FC's in-principle funding agreement

54. Mr WONG Sing-chi asked for the reasons for the rush to submit the proposal to FC on 18 July 2003. He enquired whether other cities had also indicated their interest to bid for the hosting of the EA Games. The Chairman considered that the Administration should defer submitting the proposal to FC from 18 July 2003 to its first meeting in October 2003 in the 2003-04 legislative session so that members would have sufficient time to consider the proposal in the light of the additional information to be provided by the Administration.

55. Mr Tommy CHEUNG expressed concern that if the Administration had not taken into account all the relevant factors and calculated the estimates of income and expenditure of the project accurately, the actual deficit might exceed \$84M. He pointed out that LegCo Members would be in a difficult position if the financial commitment was subsequently found to be beyond the estimated amount and additional funding allocation was required. Therefore, he considered that LegCo Members should be provided with all the necessary information so that they could consider the proposal thoroughly before granting in-principle funding agreement for the proposal. Mr CHEUNG sought clarification whether the deferment of the discussion of the proposal by FC to October 2003 would affect the bidding for the hosting right of the Games.

56. Mr Timothy FOK informed members that SF&OC would be required to indicate its interest to host the 2009 EA Games to the East Asian Games Association by the end of July 2003. As far as he knew, two other cities might also bid for the hosting right of the Games.

57. In response to members' queries about the timetable for bidding the hosting right of the Games, DS(HA)3 clarified that as the host for the 2009 EA Games would have to be announced by the end of 2003, the work schedule for preparing the bid was very tight. The Administration had therefore planned to submit the proposal to FC for consideration at its last meeting in the 2002-03 session on 18 July 2003. If consideration of the proposal by FC were deferred to October 2003, there might not be sufficient time to prepare for the bid.

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58. DS(HA)3 further explained that the Administration was only seeking support in-principle from FC at the meeting on 18 July 2003. Further details on the proposal would be provided to members as requested. She assured members that approval for the actual allocation for the project would be sought from FC in due course if the bid was successful.

59. AD of LCS (LS)2 supplemented that an organizing committee would need to be formed to prepare the bidding documents after obtaining FC's in-principle funding support. He also assured members that the deficit of \$84M was the best estimate based on information available. Since it was not necessary to construct new venues for the competition events, the resources required to host the 2009 EA Games would be moderate when compared with those required for the 2006 Asian Games. He added that reference had already been made to the experience of Macau in its preparation for holding the 2005 EA Games.

60. The Chairman considered that if there was a deadline to meet, the Administration should have consulted the Panel on Home Affairs earlier. Without the necessary details on the estimates of income and expenditure, members would not be able to consider the proposal thoroughly. He said that Members belonging to the Democratic Party would not support the proposal on the basis of the information provided in the LegCo Brief. Mr WONG Sing-chi shared the views of the Chairman and suggested the Administration to withdraw the proposal.

61. Mr NG Leung-sing, Mr Tommy CHEUNG and Mr IP Kwok-him said that they preferred not to delay the submission of the proposal to FC for consideration so as to enable the Administration and SF&OC to meet the deadline for making application to the East Asian Games Association. Mr NG Leung-sing suggested that FC might grant in-principle funding agreement for the proposal for a maximum allocation of \$84M and that the Administration should delete the last sentence in paragraph 12 of the LegCo Brief when submitting its proposal to FC so that no additional Government funding would be sought for the project. Mr Tommy CHEUNG pointed out that the Administration should provide the information requested by members before the FC meeting on 18 July 2003. Otherwise, members of FC would raise similar concerns when considering the proposal at that meeting and Members of the Liberal Party might object to the proposal.

62. Ms Cyd HO said that members would not object to the hosting of the 2009 EA Games in Hong Kong but were concerned about the accuracy of the estimates of income and expenditure. Hence, they hesitated to indicate support for the Administration's proposal to seek in-principle funding agreement from FC. She was of the view that the Administration and SF&OC might still proceed to submit the expression of interest for hosting the 2009 EA Games even though in-principle funding agreement had not been obtained from FC.

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Ms HO pointed out that the SF&OC had submitted the application for hosting the 2006 Asian Games before similar agreement was granted by FC. She queried why similar arrangement could not be made in respect of the application to host the 2009 EA Games.

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63. The Chairman said that as members had divided views on whether the Administration should submit the proposal for FC's consideration at its meeting on 18 July 2003, members might wish to decide according to their position at that meeting. At the request of the Chairman, the Administration undertook to respond to the concerns of members in writing and provide the requisite supplementary information on the proposal for members' consideration before the FC meeting on 18 July 2003.

*(Post-meeting note : supplementary information on the proposal provided by the Administration was circulated to members vide LC Paper No. CB(2)2866/02-03 on 17 July 2003.)*

**V. Regulation of Internet Computer Services Centres (ICSCs) and Amusement Game Centres (AGCs)**  
[LC Paper No. CB(2)2798/02-03(04)]

64. Members noted the paper provided by the Administration which outlined the provisions and implementation plan of the draft Code of Practice (Code) for the regulation of ICSCs, as well as the outcome of the public consultation regarding the proposals to relax certain licence conditions of AGCs. Members also noted the submission from Licensed Amusement Game Centres Trade Association Ltd (LATA) which was tabled at the meeting and was issued to members vide LC Paper No. CB(2)2832/02-03(01) on 15 July 2003.

Regulation of ICSCs

65. Mr WONG Sing-chi pointed out that the proposed Code was mainly aimed at safeguarding the physical safety of patrons of ICSCs. However, he expressed concern about the indulgence of youth in the use of the Internet which might lead to youth and family problems. Moreover, some frequent patrons of ICSCs might also be night drifters who might loiter in the street after ICSCs were closed at night. He said that he had raised this issue when the possible regulatory options for ICSCs were discussed at the meeting on 17 July 2002 and suggested that an inter-departmental working group involving HAB, Education and Manpower Bureau and the Social Welfare Department (SWD) should be set up to examine the issue. He asked what action had been taken by the Government so far.

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66. In reply, Deputy Secretary for Home Affairs (2) (DS(HA)2) informed members that it was proposed in the draft Code that operators of ICSCs should permit authorized persons, including Government officials concerned and registered social workers, to enter and inspect the premises for the purpose of ensuring that ICSCs were operating in an orderly manner in accordance with the prevailing laws and the Code. The provision would facilitate social workers to approach young patrons in ICSCs to provide guidance and assistance to them. DS(HA)2 added that although SWD was not involved in any working group to tackle youth problems in ICSCs, HAB had been working closely with the department in this respect.

67. In response to a further question from Mr WONG Sing-chi, DS(HA)2 advised that the Administration would conduct research on the impact of ICSCs on youth and would consider providing financial support to academic institutions to conduct studies on this issue.

68. Mr Henry WU noted that the Administration had made reference to the experience of Korea in the regulation of ICSCs and the preparation of the draft Code. However, he pointed out that in Korea, children under the age of 16 were not allowed to remain in ICSCs after 10 pm whereas under the proposed Code, they would be allowed to stay in ICSCs in Hong Kong until midnight.

69. Ms Emily LAU opined that ICSCs instead of Internet Cafes should be used to describe establishments providing Internet Services. She considered that stricter restriction should be imposed on the operating hours of ICSCs for younger children. She suggested that children under the age of 12 should not be allowed to stay in ICSCs until midnight.

70. In response to members' concerns about the restricted hours for young patrons of ICSCs, DS(HA)2 explained that midnight was not considered as very late at night in Hong Kong and some young people might not want to return home before 10 pm. As regards the suggestion of setting different operating hours of ICSCs for children of different age groups, DS(HA)2 said that there might be difficulties in enforcement since it might not be easy to determine the actual age of young patrons without checking their identity cards. However, he assured members that the provision might be reviewed if small children were found staying in ICSCs until midnight frequently.

71. Mr Henry WU enquired whether measures would be taken to prevent criminal activities such as vice and triad activities in ICSCs. Ms Emily LAU suggested that to prevent these undesirable and illegal activities, the lighting and layout of ICSCs might be improved.

72. DS(HA)2 replied that to address this issue, a provision had been included in the draft Code that no partitions higher than 1.5 metres should be erected in areas accessible to the public for the use of computing devices. In

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addition, there was also a requirement in the draft Code that premises of ICSCs must be adequately lit so that there would not be less than 50 lux measured at one metre above floor level and at any point at least one metre from walls. Such requirement was similar to that of AGCs. DS(HA)2 explained that the trade had requested that ICSCs should not be too brightly lit lest it would cause difficulties in reading the display device of the computers. He added that enforcement actions had also been taken against criminal activities in ICSCs. In reply to Mr Henry WU, DS(HA)2 clarified that all ICSCs would be required to comply with the Code, irrespective of the number of computers available in the premises.

73. The Chairman suggested that Hong Kong should make reference to ICSCs in Europe which were all brightly lit. He considered that the provisions in the draft Code on lighting, layout and facilities of ICSCs might further be revised to prevent illegal activities in these establishments. The Chairman further pointed out that ICSCs in Korea were regulated by legislation and that the experience of Korea had revealed the problem of vice in ICSCs. He expressed concern that the draft Code, which was not legally binding, would not be effective in regulating ICSCs and preventing these problems in Hong Kong.

74. Mr IP Kwok-him said that he visited some ICSCs in Europe with other LegCo Members during a study tour in the summer of 2002 and noted that ICSCs, if well operated and regulated, might facilitate the pursuit of knowledge of young people. He was therefore supportive of the regulation of ICSCs proposed in the Administration's paper. However, he shared the concern of the Chairman about the effectiveness of the Code in regulating the operation of ICSCs.

75. In response to members' concerns about the legal status and effectiveness of the draft Code, DS(HA)2 explained that the feedback received by the Administration in the consultation exercise conducted in 2002 indicated that the vast majority of the public preferred the adoption of a more business-friendly notification system rather than a full-fledged licensing system. Many people suggested that ICSCs should not be over-regulated as this would hinder the development of the trade. The Administration therefore considered that a Code containing the essential regulatory elements for voluntary compliance by operators of ICSCs would address the main concerns of the public.

76. DS(HA)2 stressed that although the Code did not have any legal effect, it would allow time for the existing operators to comply with the requirements and would set standards for new operators to follow. The Administration had also consulted the Hong Kong Association of Cyber Media on the Code. It had indicated that most of the provisions were acceptable to it and that the trade would comply with the Code. DS(HA)2 added that the Code would be issued for a six-month trial period after which random inspections by relevant

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Government departments would be carried out to see how well ICSCs had complied with the Code. A review would be conducted to evaluate the effectiveness of the Code and flexibility would be there to make the Code mandatory by way of legislation, if necessary.

77. In response to a question from Ms Emily LAU, DS(HA)2 informed members that DCs had also been consulted. Their views were similar to those of the vast majority of the public that ICSCs should not be regulated by legislation and that a Code of Practice was acceptable to them.

Regulation of AGCs

78. Mr Tommy CHEUNG said that he was supportive of the proposals in the paper provided by the Administration. He added that the Liberal Party was also supportive of the proposed reduction of the annual licence fee for AGCs. Mr CHEUNG also noted that the Administration had proposed in paragraph 9 of its paper the extension of the operating hours from midnight to 2 am of AGCs for persons over 16 years old located in buildings used solely for commercial purpose only. Mr CHEUNG considered that such proposal was unfair to AGCs located in other buildings and proposed that this licence condition should be relaxed for all AGCs. He also expressed concern that nuisance might be caused to nearby residents even if AGCs were located in commercial buildings. There was also in lack of a formal mechanism under which the public might lodge complaints against the nuisance caused by AGCs.

79. DS(HA)2 replied that in 2002, the public was consulted on, among other things, whether five of the licence conditions for AGCs should be relaxed. Based on the feedback from the public and the AGC operators, the Administration had proposed to implement the proposal to partially relax the licence condition on the operating hours of AGCs. DS(HA)2 informed members that the proposal would involve approximately 70 AGCs located in buildings used solely for commercial purpose. The Administration was of the view that the possibility of these AGCs causing nuisance to the nearby residents would be relatively small as compared with those AGCs located in mixed commercial and residential buildings. He added that the proposal would be put on trial for six months. If serious complaints were not received during the trial period, the condition would be relaxed permanently.

80. Mr NG Leung-sing noted the submission from LAGA in which the latter complained that since ICSCs were not subject to licensing control or strict restrictions on operation as compared with AGCs, there had been unfair competition between the two businesses resulting in customers being readily attracted away from the latter in favour of the former. Mr NG asked whether the Administration would take action to ensure fair competition between ICSCs and AGCs as requested by LAGA.

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81. DS(HA)2 responded that ICSCs and AGCs are two different kinds of establishments with different target customers. He explained that the different forms of regulation of ICSCs and AGCs were necessitated by the differences in the nature of their business, patrons, and public concerns about their impact on the community. To address the major public concerns about the operation of AGCs, stricter regulation and licensing control had been imposed on the trade. DS(HA)2 informed members that in the consultation exercise in 2002, many members of the public had objected to the proposed relaxation of licence conditions for AGCs such as admission of persons in school uniform and the requirement that an adult/children's AGC could not be established within a radius of 100 metres of an existing AGC or from an educational institution. As a result, these licence conditions had not been relaxed.

82. To conclude, the Chairman considered that the draft Code could further be improved to facilitate better regulation of ICSCs. He urged the Administration to monitor the compliance with the Code during the trial period and review the need for making the Code mandatory by way of legislation, if necessary.

**VI. Any other business**

83. There being no other business, the meeting ended at 1:20 pm.

Council Business Division 2  
Legislative Council Secretariat  
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