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民政事務局

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**Translation**

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19 May 2017

Public Works Subcommittee Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong  
(Attn: Ms Sharon Chung)

Dear Ms Chung,

**Public Works Subcommittee  
Supplementary information on Kai Tak Sports Park Project**

At the request of Chairman of Public Works Subcommittee, the information requested by Hon Chu Hoi-dick in his letter dated 9 May 2017 is set out in the Annex for Members' reference.

Yours sincerely,

(Original signed)

( Ms Linda Law )

for Secretary for Home Affairs

Supplementary Information on the Kai Tak Sports Park Project

**(I) Start-up expenses for the Kai Tak Sports Park (the Sports Park) project under “Subhead 3100GX – Project feasibility studies, minor investigations and consultants’ fees for items in Category D of the Public Works Programme” of Head 703 of the Capital Works Reserve Fund**

The approved project estimates of \$18.08 million for the Sports Park project under “Subhead 3100GX – Project feasibility studies, minor investigations and consultants’ fees for items in Category D of the Public Works Programme” of Head 703 of the Capital Works Reserve Fund is all for consultancy studies. The consultancy studies have been completed, involving a total expenditure of about \$15.6 million. Information on the relevant consultancy studies is tabulated below:

<b>Consultancy Study</b>	<b>Expenditure Involved (\$ million)</b>	<b>Details</b>
Consultancy study on the preparation of a technical feasibility study	11.4	<p>Scope/objective of the study: conducting various technical studies, including research studies on planning and works, to prepare for a technical feasibility study on the Sports Park project.</p> <p>Study period: 2009 - 2014</p> <p>Progress of the study: completed</p>
Consultancy study on environmental and traffic impact assessments	3.8	<p>Scope/objective of the study: assessing the impacts of the Sports Park project on the environment and traffic, and preparing, in accordance with the Environmental Impact Assessment Ordinance, an environmental impact assessment report for the approval of the Environmental Protection Department.</p>

<b>Consultancy Study</b>	<b>Expenditure Involved (\$ million)</b>	<b>Details</b>
		Study period: 2014 - 2017 Progress of the study: completed
Consultancy study on crowd dispersal	0.4	Scope/objective of the study: running a computer simulation to give a preliminary analysis of the routes that spectators will take to leave the Main Stadium of the Sports Park for MTR stations nearby and relevant situation. Study period: 2013 - 2016 Progress of the study: completed
<b>Total</b>	<b>15.6</b>	

We reported already the progress of the above consultancy studies when submitting to the Public Works Subcommittee (PWSC) the funding application for the pre-construction works of the Sports Park in March 2015.

**(II) The Study by the PricewaterhouseCoopers Advisory Services Limited**

Regarding the detailed financial analysis on procurement and financing options submitted by the PricewaterhouseCoopers Advisory Services Limited (PwC) in September 2013, we had presented the summary of findings to the Panel on Home Affairs for information and discussion in February 2014. For details, please refer to LC Paper No. CB(2)841/13-14(03).

It was pointed out in paragraph 4 of the above Paper that “In essence, the study found that **full commercial funding of the Multi-purpose Sports Complex (MPSC) would not be viable** and that any private sector participation funding 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.”

It was also pointed out in paragraph 16 of Annex II “Summary of Findings of Procurement and Financing Study” attached to the Paper that “PwC further recommended that if the Government decided to adopt one of the Public Works Programme options, **taking an integrated Design, Build and Operate (“DBO”) approach to the procurement of the project would be preferable to having separate consortia to design, build and operate the complex.** Integrating the design, construction and operation into a single contract incentivises the contractors to work together and manage interface issues. This helps to ensure that the facility is designed and constructed with an understanding of how the operator intends to operate the MPSC to achieve efficiency and maximise revenue streams. The DBO approach also seeks to minimise conflict between the design, construction and operation phases of the project and allows the Government to manage the project more easily by having a single implementation agent rather than separate agents with different interests.”

Taken into consideration the above, we have proposed to take the DBO approach for the development of the Sports Park since 2014. In the Annex to the supplementary information submitted to the PWSC on 16 May, we also reiterated clearly that even if the design, build, finance and operate (DBFO) approach was adopted, the Government still had to bear the design and construction costs of the Sports Park as well as the relevant financing cost through “periodic fixed payment”, where the total estimated cost would exceed \$31.9 billion.

### **(III) Area of dining and retail outlets in the Sports Park**

As mentioned in our reply (please refer to the supplementary information submitted to the PWSC on 16 May) to the letter dated 6 May from Hon CHU Hoi-dick, the Sports Park occupies about 28 hectares of land, containing a number of sports, community and commercial ancillary facilities, and is quite different from those single facilities like the Hong Kong Stadium (HKS) and the Hong Kong Coliseum (HKC) in terms of scale and function. The gross floor area (GFA) of the retail and dining outlets in the Sports Park is about 60 000 m<sup>2</sup>. Among the outlets, the provision of a “dining cove” of about 3 000 m<sup>2</sup> located to the south of the

Main Stadium will help enhance the connectivity between the Sports Park and the waterfront, while the remaining outlets of 57 000 m<sup>2</sup> will be distributed in different facilities of the Sports Park, while most of them may be provided in the Indoor Sports Centre Building. To provide an appropriate amount of commercial facilities will not only offer the public and visitors ancillary retail and dining facilities, but also help attract visitor flow and enhance the vibrancy of the Sports Park.

According to the reference design prepared by the consultant of the Home Affairs Bureau (HAB), dining facilities will share nearly 35% (about 21 000 m<sup>2</sup>) out of the total retail and dining GFA of about 60 000 m<sup>2</sup>. We will, in the tender documents, require the Contracted Party to provide vibrant and commercially-minded shopping facilities and diversified dining outlets of various categories and prices to cater for the needs of different visitors. In order to allow the Contracted Party to make proposals based on its operational strategies and the market response, we consider it inappropriate for the Government to lay down detailed and mandatory requirements for the provision of retail and dining outlets (e.g. the specific size and categories of dining outlets) in the tender documents. Tenderers of the project will also be required to provide in their bids the strategies for and relevant information on running their retail and dining outlets, so as to achieve the overall objectives mentioned above. The Tender Assessment Panel will evaluate tenderers' proposals in accordance with the marking scheme.

According to the Operations Consultant's estimation, taking the percentage of usable area into account, it is estimated that around 38 000 m<sup>2</sup> out of the GFA of about 60 000 m<sup>2</sup> can be provided as lettable area for retail and dining outlets.

#### **(IV) Transportation of the Sports Park**

(1) The estimated walking distances between various sports venues of the Sports Park and the two nearby MTR stations of the Shatin to Central Link and the respective time required<sup>1</sup> are as follows:

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<sup>1</sup> The walking time is estimated at a pace of one metre (m) per second.

	Kai Tak MTR Station	To Kwa Wan MTR Station
Main Stadium	860 m (about 14 minutes)	670 m (about 11 minutes)
Indoor Sports Centre Building	400 m (about 7 minutes)	770 m (about 13 minutes)
Public Sports Ground	840 m (about 14 minutes)	320 m (about 5 minutes)

(2) According to the Civil Engineering and Development Department (CEDD), the detailed feasibility study for Environmentally Friendly Linkage System (EFLS) for Kowloon East is conducted in two stages. The first stage of the Study has been completed by the CEDD. Having evaluated various green transport modes, the CEDD recommended that an elevated transport mode be adopted for the EFLS for Kowloon East to enhance its connectivity. A two-month public consultation was launched in early May to collect public views on the recommendation. Once the most suitable transport mode has been identified, the CEDD will formulate proposals on the alignment and coverage of the transport mode and its implications for the Kwun Tong Typhoon Shelter in the second stage of the Study. The EFLS will help enhance the connectivity among the key activity nodes, including the Sports Park, within Kowloon East, thus helping improve accessibility of the areas. We will continue to liaise with the CEDD for appropriate co-ordination.

**(V) A Mega Performance Venue (MPV) in the West Kowloon Cultural District (WKCD)**

As mentioned in our Paper (see LC Paper No. CB(2)544/16-17(01)) submitted for the special meeting of the Legislative Council House Committee held on 6 January 2017, the Board of the West Kowloon Cultural District Authority (WKCDA)'s decision of not to proceed with the development of the MPV was based purely on technical, marketing and business considerations. The WKCDA established an internal task force to study the development of the site reserved for the MPV and an Exhibition Centre (EC) as early as June 2015. The Executive Committee of the Board was briefed on the preliminary findings of the consultancy study in October the same year. Members of the Executive Committee agreed that the original proposal to build the MPV in the

WKCD was no longer a suitable proposition. The WKCDA later reported to the Board the findings of the consultancy study in November 2015, which include:

- (a) site constraint for the co-located MPV/EC: a 15 000-seat MPV will take up 64 545 m<sup>2</sup> GFA (i.e. 84% of the total GFA of the site), leaving only 12 500 m<sup>2</sup> GFA for the development of the EC which would be inadequate to accommodate the type of art fairs and exhibitions that are known to be seeking exhibition space in Hong Kong;
- (b) cost escalation: the cost for developing the MPV, which is to be funded by private sector investment under the implementation approach announced by the WKCDA in 2013, is estimated to be about \$6 billion in 2015 prices. The cost escalation casts doubts on the internal rate of return of the project; and
- (c) market demand: the Government's plan to retain the 12 500-seat HKC and the increasing use of the 14 500-seat arena at AsiaWorld-Expo as a major alternative performance venue would affect the projected utilisation rate of a 15 000-seat MPV and further undermine the commercial viability of the project.

Having noted the preliminary findings at the above meeting, the Board agreed and tasked the WKCDA Management to further study the future use of the site originally planned for the MPV and the EC for further consideration.

The Government announced the delivery of the Sports Park project in July 2016. The latest design of the Main Stadium, among other venues, has taken into account the needs of large-scale entertainment events and will be equipped with an acoustic retractable roof and a flexible turf system. The Main Stadium can be turned into different spectator configurations (ranging from 20 000 to 50 000 seats) by means of stage positioning, draping and other settings. While sports events will be the primary use of the Main Stadium, the Government envisages that time slots can be made available for other events such as pop concerts and cultural and entertainment events. At the meeting of the Board of the

WKCDA held in September 2016, Board members agreed that the demand of the entertainment sector for a 35 000-seat mega venue could largely be met by the Main Stadium in the Sports Park, and therefore the original proposal of building the MPV in the WKCD was no longer a suitable proposition.

In respect of the increase in the number of seats in the Indoor Sports Centre of the Sports Park, as mentioned in our paper submitted to the Panel on Home Affairs in February 2017, the seating capacity of the main arena in the Centre would be increased, in response to the request from the sports sector, from the initial proposal of 4 000 to 10 000 whereas that of the ancillary sports hall be increased from 400 to 500, so as to allow tournaments of different types and to meet the venue requirements of various international competitions. The seating capacity of the Indoor Sports Centre was changed taking into account the demand of the sports sector. Such an increase has no relevance to WKCD's decision of not to proceed with the development of the MPV.

As mentioned above, the Board of WKCDA decided not to proceed with the development of the MPV due to the considerations of its commercial viability and the latest design of the Sports Park. The decision has no relevance to the delivery of the Hong Kong Palace Museum project. Even if the Hong Kong Palace Museum project does not exist, the WKCDA will still spare the site for other developments.

#### **(VI) HKS and Wan Chai Sports Ground (WCSG)**

The Chief Executive proposed in this year's Policy Address that the site at the WCSG be used for comprehensive development to provide convention and exhibition, sports, recreation and community facilities. The Hong Kong Trade Development Council will conduct a feasibility study on the proposal. The proposal is a preliminary one and the Government has not finalised its plan. The Government will continue to listen to stakeholders' views on the proposed comprehensive development and incorporate them into the feasibility study. The Government will consider the matter further when the outcome of the feasibility study is available.



It is difficult for the HKS to fully cater for the needs of major events due to its physical constraints such as venue size and noise. For example, the existing seating capacity and the provision of changing facilities cannot meet the needs of the annual Hong Kong Sevens. Also, no specially-designed media centre, doping control room or dedicated office for event organisers and technical staff is provided at the venue. As a result, only temporary measures could be adopted to meet the needs of events.

The Main Stadium of the Sports Park will be able to meet the needs of modern major sports events, as well as the expectation of international athletes and event organisers, thus helping attract more high-level competitions and major events to Hong Kong which will have a significant impact on sports promotion. Since the Main Stadium of the Sports Park and the HKS overlap with each other in terms of scale and function, the Government has to reconsider the role of the HKS, taking into account its relatively low utilisation rate due to its physical constraints and deficiencies, as well as the possibility that its utilisation will be further reduced upon completion of the Main Stadium of the Sports Park. We will explore ways to better utilise the HKS to support sports development in Hong Kong and facilitate the use of the venue by schools and the public. We will conduct a technical feasibility study on the redevelopment of the HKS in the coming five years.

We do not have the estimated cost on the proposed comprehensive development of the WCSG and the redevelopment of the HKS at this stage.

敬啟者

Letter from Hon Chu Hoi-dick  
dated 9 May 2017  
(Chinese only).

關於：啟德體育園項目·查詢二

如題。謹查詢如下：

(一) 前期開支

本人注意到，基金工程儲備基金 2017/18 年度整體撥款清單中，總目 703 分目 3100GX，項目，有一項關於啟德體育園的前期開支，即項目編號 539XY，Multi-Purpose Stadium Complex (MPSC) at Kai Tak (pre-construction work partially upgraded to Cat A, 287RS)。

該項目總開支約為 1,808 萬元，截至 2016 年 3 月 31 日已開支 1,354 萬元。鑒於本項目尚未招標，即未有設計圖則，該項開支是否全部為招標前之顧問費用？

請政府告知本委員會，該項開支的細明，該項目之詳細資料，包括簡介、目標、日程、進度等等，及全部顧問迄今交予政府之研究結論或文件。

(二) 研究更新

本人之查詢其實已於 5 月 6 日會議上由多名議員提及，本人謹嘗試再次釐清。

按 2013 年 9 月羅兵咸永道向政府提交之《啟德體育園區採購及融資方案的詳細財務分析》，其實完全沒有提及目前由政府全力承擔興建成本之「設計·興建·營運」模式 (DBO 模式)。

其中 2.1 節，「概覽」部分羅列的方案，如下：

各採購及融資方案的主要差別在於私人機構參與程度及風險配置 (以及政府將風險轉移至私人機構的程度)。下圖羅列出各採購及融資方案的主要特點：



即，當時的研究結論為，私人參與必然包括私人機構融資部分，而非由政府獨資。該報告至今事隔 4 年，想來必有更新。政府在融資及營運模式的決定上，亦採取了與研究完全不配合的版本。

請提供自 2013 年 9 月至今，所有關於採購及融資方案的顧問研究文件，及當局決定目前模式的會議文件。請注意，因顧問乃用公帑聘任，故其報告應提交予本會及公眾參詳。若有需要，可隱去部分敏感資料。

### (三) 零售及餐飲樓面

跟進本人 5 月 6 日信件第三項，本人希望政府當局能提供

- (1) 清楚標示零售及餐飲位置的概念設計圖；
- (2) 計算零售及餐飲樓面面積的參考、準則及數式；
- (3) 因 38 萬呎樓面面積實極大，已相當於 2-3 個中型屋邨商場面積，或數個屋邨體育館面積。請詳細解釋為何不撥調更多樓面於體育用途，及說明此安排會否導致啟德體育園因此變成地產商業項目。

### (四) 交通

本人亦注意到，目前正在諮詢的九龍東環保運輸系統，其實很可能將來與啟德體育園息息相關，然而在多份文件亦無述及。

- (1) 請提供沙中線鐵路站與三項設施的步行距離與步行時間，及
- (2) 請提供按照土木工程拓展署之委託研究中，目前最有機會出現的「九龍東環保運輸系統」走線，對體育園的正面或負面影響，並附地圖。

### (五) 西九表演場地

- (1) 請清楚說明西九文化區是否已必然放棄大型表演場地，並附原因及決策過程；
- (2) 請清楚說明西九文化區興建或放棄興建大型表演場地，與啟德體育園的室內體育館座位需要由 4,000 增加至 10,000，及主場館營運方向的關係；
- (2) 請詳細說明林鄭月娥女士於推動故宮文化博物館項目時，是否已充分考慮此西九文化區的布局改變，對啟德體育園將來之發展影響。

林鄭月娥女士有否就此諮詢民政事務局？若曾討論，當中討論過程，有否考慮角色衝突（因林鄭月娥女士不但是時任西九管理局局長，亦為時任政務司司長，即馮程淑儀女士及劉江華局長之上司）及就此避嫌？無論如何，請提供詳細會議紀錄。

### (六) 大球場及灣仔運動場

請提供重建大球場，及拆卸灣仔運動場的開支估算（本人認為，此兩項亦屬於啟德體育園之成本；政府可以不同意此分析，但亦須盡量提供相關資料）。

盼請回覆，萬分感謝。

此致

財委會工務小組委員會主席盧偉國議員  
民政事務局局長劉江華  
民政事務局常任秘書長馮程淑儀

立法會議員朱凱迪謹啟

2017 年 5 月 9 日