

CHAPTER 10

Leisure and Cultural Services Department

<h3>Provision of recreation and sports services</h3>

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PROVISION OF RECREATION AND SPORTS SERVICES

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PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines its objectives and scope.

Background

1.2 The Leisure and Cultural Services Department (LCSD), which reports to the Home Affairs Bureau (HAB), is responsible for the provision of recreation and sports (R&S) services in the territory. In 2007-08, the LCSD spent some \$2,400 million to promote R&S at all levels throughout the community. \$700 million was spent on employing some 3,400 staff to provide R&S services. \$1,700 million was operational expenses relating to the management of R&S facilities and organisation of R&S programmes.

Recreation and sports facilities

1.3 The R&S facilities managed by the LCSD can be categorised into two types:

- (a) ***Indoor facilities.*** Indoor facilities are located inside 88 sports centres and 13 squash centres (as at 30 June 2008) which are spread across 18 districts in the territory. The sports centres contain arenas (for ball games such as badminton and basketball), different types of recreation rooms (e.g. activity rooms, dance rooms and fitness rooms), squash courts and table-tennis tables. The squash centres contain squash courts and table-tennis tables (placed inside squash courts); and
- (b) ***Outdoor facilities.*** Major outdoor facilities include sports grounds (for athletic games), natural and artificial turf pitches (for ball games such as soccer, rugby and hockey), tennis courts, basketball courts and aquatic facilities (swimming pools and water sports centres).

1.4 Some of the R&S facilities are fee-charging. To promote R&S, the fees levied are heavily subsidised by the Government. They range from \$10 for hiring a tennis practice court for half an hour, to \$350 for hiring a turf soccer pitch in the New Territories (NT) with floodlight for 90 minutes.

1.5 Some R&S facilities are available to the public free of charge (e.g. hard surfaced soccer pitches and outdoor basketball courts). Furthermore, under a Free Use Scheme (FUS — Note 1), eligible organisations can apply for the free use of some fee-charging facilities (such as arenas and activity rooms in sports centres) during non-peak hours of non-peak periods (Note 2).

Recreation and sports programmes

1.6 Under the R&S programmes, the LCSD organises a wide range of recreational activities, training courses and competitions, including:

- (a) athletic and aquatic activities (e.g. distance running and swimming);
- (b) dance and fitness activities (e.g. aerobics, fitness training and Tai Chi — see Photograph 1);
- (c) individual games (e.g. badminton and table-tennis);
- (d) team games (e.g. basketball and soccer);
- (e) outdoor pursuits and water sports (e.g. camping and canoeing); and
- (f) miscellaneous programmes (e.g. school sports programmes and fun games).

Note 1: *The FUS has been implemented by the LCSD since September 2000 to maximise the use of R&S facilities. Eligible organisations include schools, national sports associations, district sports associations and subvented non-government organisations.*

Note 2: *Non-peak hours are from opening to 5 p.m. on weekdays except public holidays. Non-peak periods are from 1 September of one year to 30 June of the following year.*

Photograph 1**Tai Chi training programme organised by the LCSD**

Source: LCSD records

1.7 Most of the R&S programmes are fee-charging. Similar to R&S facilities, the fees levied are heavily subsidised by the Government. The fees range from \$10 for attending a bridge seminar, to \$1,140 for participating in a package programme for kids in long holidays.

Previous audit reviews

1.8 In 2004, the Audit Commission (Audit) conducted two reviews relating to the R&S facilities of the LCSD, as follows:

- (a) **“Provision of aquatic recreational and sports facilities”** which was included in Report No. 42 of the Director of Audit (March 2004). The review mainly focused on the manning of staff at closed gazetted beaches, the usage of aquatic facilities, and the provision and deployment of lifeguards; and

- (b) **“Provision and management of indoor recreational and sports facilities”** which was included in Report No. 43 of the Director of Audit (October 2004). The review mainly focused on the provision and usage of indoor R&S facilities, the alignment of facility fees in the urban area and the NT, and the fees for training courses.

Audit review

1.9 Audit has recently conducted a review to examine the economy, efficiency and effectiveness of the LCSD in the provision of R&S services, with focus on those areas which were not covered in the previous audits (e.g. R&S programmes). In this review, Audit has identified scope for improvement in the following areas:

- (a) promoting “*Sport for All*” through R&S programmes (PART 2);
- (b) enhancing the provision of R&S services (PART 3);
- (c) improving the usage of R&S facilities (PART 4); and
- (d) review of fees and charges (PART 5).

Acknowledgement

1.10 Audit would like to acknowledge with gratitude the full cooperation of the staff of the LCSD during the course of the audit review.

PART 2: PROMOTING “SPORT FOR ALL” THROUGH RECREATION AND SPORTS PROGRAMMES

2.1 This PART examines the LCSD’s efforts in promoting “*Sport for All*” (Note 3) through organising R&S programmes.

Organisation of recreation and sports programmes

2.2 To promote the culture of “*Sport for All*” and to encourage people to participate in R&S activities, each year the LCSD Headquarters (HQs) and 18 District Leisure Services Offices (DLSOs) organise an array of R&S programmes. Table 1 shows an analysis of the participant number and expenditure of the 2006-07 R&S programmes (Note 4).

Note 3: *“Sport for All” is defined by the LCSD as a sustainable and community-wide sporting culture whereby people of all age groups participate actively in sports in quest of sound physical and psychological health as well as positive community spirit.*

Note 4: *As at 30 September 2008, the figures for 2007-08 were not yet available from the LCSD’s records.*

Table 1
Analysis of R&S programmes
(2006-07)

Type of programmes	Number of Programmes	Number of Participants (‘000)	Expenditure (Note 1) (\$ million)
Athletics and aquatics	3,224	79	8.9
Dance and fitness	10,064	506	27.8
Individual games	4,081	108	11.3
Team games	482	47	2.4
Outdoor pursuits and water sports	5,719	100	10.6
Miscellaneous programmes			
• School sports programmes	7,075	516	16.7
• Young Athletes Training Scheme	827	27	4.8
• Healthy Elderly Scheme	719	90	0.4
• Outreaching programmes	935	30	0.5
• Other activities (Note 2)	1,174	345	12.2
Total	34,300	1,848	95.6

Source: LCSD records

Note 1: Expenditure included instructor fees, publicity fees and costs of consumables.

Note 2: Other activities included fun games, carnivals, Corporate Games and Master Games (see Note 5 to para. 2.3).

2.3 The HQs is mainly responsible for organising territory-wide programmes, such as the Corporate Games, the Master Games, the Hong Kong Games (Note 5) and school sports programmes, whereas the DLSOs are responsible for organising R&S programmes to meet district needs. In 2006-07, the DLSOs organised some 20,000 programmes that attracted 1.2 million participants (67% of all participants of 1.8 million — see Table 1).

2.4 Each year, the HQs prepares its annual programme plan after taking into consideration the anticipated resources available for the year, targets to be met, the popularity of the programmes held in the past years, mega international and national sports events to be held for the year (Note 6) and the Government’s strategy to promote sports.

2.5 The DLSOs also prepare their annual programme plans. In doing so, the DLSOs are expected to take into consideration the following factors:

- (a) need to maintain at least the same level of R&S programmes as the previous year;
- (b) need to organise more R&S programmes to tie in with the population growth of older persons and persons with disabilities, and to meet the increasing demand from other special groups (such as low-income families);
- (c) need to plan, in collaboration with national sports associations (NSAs)/district sports associations (DSAs) and District Councils (DCs), district sports activities with local characteristics, taking into account the age distribution of the population and community features of the districts; and
- (d) need to plan for programmes in response to mega sports events (see para. 2.4) for publicity purposes.

Note 5: *The Corporate Games are multi-sport competitions organised for the industrial and commercial organisations and the public sector, whereas the Master Games are multi-sport competitions organised for people aged 35 or above to sustain their interest in sports activities. The Hong Kong Games are territory-wide major multi-sport events in Hong Kong with the 18 District Councils as the participating units.*

Note 6: *Examples include the 2008 Beijing Olympic Torch Relay and the 2009 East Asian Games.*

LCSD performance in organising R&S programmes

2.6 To measure its performance in organising R&S programmes, the LCSD has set 4 targets and 6 indicators in the Controlling Officer’s Reports (CORs) (see (I)(a)(i) to (iv) and (II)(a) and (b) at Appendix A). The targets relate mainly to the number of participants in R&S programmes whereas the indicators relate mainly to the number of programmes organised. It can be seen that in the three years 2005 to 2007:

- (a) there was an increase in the number of participants in various R&S programmes, from 1.68 million in 2005 to 1.82 million in 2007. For 2007, the LCSD over-achieved its four performance targets for such programmes; and
- (b) there was a steady increase in the number of R&S programmes organised by the LCSD, from some 29,000 in 2005 to 33,500 in 2007. The number of subvented R&S programmes run by sports associations/organisations also increased from some 8,500 in 2005 to 10,000 in 2007.

The results reported in the CORs indicate that the LCSD overall performance in organising R&S programmes has been satisfactory and R&S activities have become more popular. Nonetheless, based on a more detailed analysis of LCSD performance, Audit has found that there are areas for improvement.

Audit observations and recommendations

Need to critically review the funding allocation among districts

2.7 An analysis of the allocation of funds for R&S programmes among the 18 DLSOs in 2006-07 is shown in Table 2.

Table 2
Funds allocated for R&S programmes by districts
(2006-07)

District	R&S funds allocated (Note 1)	R&S programmes	Population	R&S funds per population head (Note 2)
	(a)	(b)	(c)	(d) = (a) ÷ (c)
	(\$'000)	(No.)	('000)	(\$)
Central and Western	3,840	1,207	251	15.3*
Eastern	4,128	1,394	586	7.0
Islands	3,375	616	145	23.3
Kowloon City	3,419	1,159	363	9.4
Kwai Tsing	3,299	1,287	522	6.3
Kwun Tong	4,048	1,348	586	6.9
North	3,175	1,068	290	10.9
Sai Kung	2,766	893	413	6.7
Sha Tin	3,984	1,465	610	6.5
Sham Shui Po	3,368	1,170	372	9.1
Southern	3,712	1,235	276	13.4
Tai Po	2,118	913	296	7.2
Tsuen Wan	2,326	821	293	7.9
Tuen Mun	3,140	1,148	501	6.3
Wan Chai	2,559	890	155	16.5*
Wong Tai Sin	2,656	1,051	425	6.2
Yau Tsim Mong	3,758	1,397	288	13.0*
Yuen Long	2,965	1,049	542	5.5
Overall	58,636	20,111	6,914	8.5

Source: Audit analysis of LCSD records

Note 1: Allocated funds were mainly used to cover instructor fees, publicity fees and costs of consumables.

Note 2: According to the LCSD, some urban districts have a large working population who also participate in R&S programmes of these districts. Such districts include Central and Western, Wan Chai and Yau Tsim Mong (marked with *). Taking this factor into account, R&S funds per population head of these districts would be lower than those indicated in Column (d).

2.8 Table 2 shows that there was an uneven allocation of R&S funds among the districts. Excluding the highest allocation of \$23.3 per population head for Islands and the lowest allocation of \$5.5 for Yuen Long which are the two extremes, the allocation per population head ranged from \$6.2 for Wong Tai Sin to \$13.4 for Southern.

2.9 **Audit considers that there is a need to critically review the R&S funding allocation among districts, taking into account the views of major stakeholders (such as the DCs and the DSAs), when planning R&S programmes to meet local people’s needs.**

2.10 In October 2005, the Chief Executive stated in his Policy Address that the role of the DCs would be expanded and the Government would allow each DC to assume responsibility for the management of some district facilities (i.e. libraries, leisure grounds, sports venues, swimming pools and community halls). Starting from 2008-09, more resources have been made available to DCs to tie in with their more active role in managing district facilities and activities, including R&S activities (Note 7). As a result of these changes, annual R&S programme plans prepared by the DLSOs, previously approved by the LCSD, are now approved by the DCs. **Starting from 2008-09, in reviewing the R&S funding allocation among the 18 districts, the LCSD has to work in full consultation with the DCs and the Home Affairs Department (HAD — Note 8).**

Note 7: *Starting from 2008-09, the scope of funds allocated to DCs for carrying out community involvement programmes under the Home Affairs Department has been expanded to cover district R&S programmes, as well as entertainment and library programmes organised by the LCSD. The total funds allocated to the 18 DCs have been increased to \$300 million a year.*

Note 8: *The HAD oversees district administration in which DCs play an active role.*

Need to address the great differences in participation rates among districts

2.11 In 2000, to help assess and monitor how people in the territory had been served by R&S programmes, the LCSD set internal target participation rates (TPRs) for the entire population and for specific population groups, as shown below:

Year	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
TPR for entire population	15%	16%	17%	18%	19%	20%
TPR for older persons (Note)	16%	17%	19%	21%	23%	25%
TPR for persons with disabilities	30%	31%	32%	33%	34%	35%

Note: Older persons refer to people at the age of 60 or above.

2.12 In December 2004, the LCSD noted that participation rates of older persons and persons with disabilities in R&S programmes varied greatly among the districts. To address this problem, the LCSD encouraged those DLSOs responsible for districts with low participation rates to provide more programmes for these two population groups.

2.13 An analysis of the participation rates of these two population groups in district R&S programmes in 2006-07 is shown in Table 3.

Table 3
Participation rates of specific population groups by districts
(2006-07)

District	Older Persons			Persons with disabilities		
	Participating in R&S programmes	Population	Participation rate	Participating in R&S programmes	Population	Participation rate
	(a)	(b)	(c) = (a) ÷ (b) × 100%	(d)	(e)	(f) = (d) ÷ (e) × 100%
	('000)	('000)	(%)	('000)	('000)	(%)
Central and Western	12.3	41.9	29.4%	2.1	5.1	41.2%
Eastern	33.3	108.4	30.7%	5.1	12.3	41.5%
Islands	2.5	16.2	15.4%	0.5	1.4	35.7%
Kowloon City	26.2	72.3	36.2%	3.6	9.4	38.3%
Kwai Tsing	21.0	89.5	23.5%	5.3	11.2	47.3%
Kwun Tong	49.7	117.6	42.3%	5.5	16.9	32.5%
North	3.4	38.9	8.7%	1.9	4.2	45.2%
Sai Kung	8.7	44.7	19.5%	1.6	3.8	42.1%
Sha Tin	22.5	87.6	25.7%	4.3	10.1	42.6%
Sham Shui Po	27.8	77.1	36.1%	2.6	11.1	23.4%
Southern	17.2	48.5	35.5%	3.3	7.8	42.3%
Tai Po	8.0	38.2	20.9%	2.3	5.5	41.8%
Tsuen Wan	8.1	43.1	18.8%	1.2	5.5	21.8%
Tuen Mun	5.1	59.2	8.6%	3.4	9.2	37.0%
Wan Chai	15.5	29.4	52.7%	1.9	3.4	55.9%
Wong Tai Sin	35.9	84.9	42.3%	3.9	13.5	28.9%
Yau Tsim Mong	23.2	56.1	41.4%	2.6	6.8	38.2%
Yuen Long	10.7	65.0	16.5%	2.4	7.0	34.3%
Overall	331.1	1,118.6	29.6%	53.5	144.2	37.1%

Source: Audit analysis of LCSD records

2.14 Table 3 shows that there were still great differences among districts in the participation rates of older persons and persons with disabilities in R&S programmes during 2006-07, as follows:

- (a) ***Older persons.*** The participation rates ranged from the highest of 52.7% in the Wan Chai District to the lowest of 8.6% in the Tuen Mun District; and
- (b) ***Persons with disabilities.*** The participation rates ranged from the highest of 55.9% in the Wan Chai District to the lowest of 21.8% in the Tsuen Wan District.

2.15 As regards the general population, both the LCSD HQs and its DLSOs organised R&S programmes for them. In 2006-07, the general population participation in LCSD’s R&S programmes was 1.8 million (see Table 1 in para 2.2), giving an overall participation rate of 26.1% (Note 9). An analysis of the general population participation rates in district R&S programmes, as shown in Table 4, indicates that some districts (e.g. Tuen Mun, Sha Tin and North) had particularly low participation rates whereas a few districts (such as Southern) had higher participation rates.

Note 9: *The overall participation rate*

$$= \frac{1.8 \text{ million}}{6.9 \text{ million}} \times 100\%$$

Table 4
General population participation rates by districts
(2006-07)

District	R&S programme participants (a) (‘000)	Population (b) (‘000)	Participation rate (Note 1) (c) = (a)÷(b)×100% (%)
Central and Western	67.7	250.7	27.0%*
Eastern	97.7	585.6	16.7%
Islands	30.8	145.1	21.2%
Kowloon City	65.8	362.7	18.1%
Kwai Tsing	70.8	522.2	13.6%
Kwun Tong	105.9	585.8	18.1%
North	35.1	290.3	12.1%
Sai Kung	51.6	412.7	12.5%
Sha Tin	71.6	610.3	11.7%
Sham Shui Po	71.9	371.9	19.3%
Southern	66.7	276.4	24.1%
Tai Po	58.3	295.8	19.7%
Tsuen Wan	48.2	293.3	16.4%
Tuen Mun	48.5	501.0	9.7%
Wan Chai	47.0	155.5	30.2%*
Wong Tai Sin	89.4	424.9	21.0%
Yau Tsim Mong	87.7	287.9	30.5%*
Yuen Long	69.4	541.6	12.8%
Overall	1,184.1	6,913.7	17.1% (Note 2)

Source: Audit analysis of LCSD records

Note 1: The high participation rates for Central and Western, Wan Chai and Yau Tsim Mong (marked with *) were partly due to the high working population in these districts (see Note 2 to Table 2).

Note 2: This was the participation rate in district R&S programmes only.

2.16 Audit considers that there is a need to step up efforts to improve the participation rates in R&S programmes for those districts with low participation rates for specific population groups and/or the general population.

Need to address the needs of other special population groups

2.17 As mentioned in paragraph 2.12, older persons and persons with disabilities were the two population groups for which the LCSD had organised more tailor-made R&S programmes to address their specific needs. Given changes over time, other population groups might have already emerged that call for specific R&S programmes to be developed. Such other groups may include, for example, low-income families, new arrivals and youth at risk. **The LCSD may wish to explore more opportunities to organise tailor-made R&S programmes to address the needs of other special population groups.**

Need to consider developments affecting provision of R&S services

2.18 As mentioned in paragraph 2.10, starting from 2008-09, DCs have assumed a more active role in managing R&S facilities and activities within their districts, and DLSOs have to submit annual R&S programme plans to the DCs for approval. To enhance accountability, Audit considers that it is desirable for the DLSOs to set targets/parameters in their plans to measure performance. Moreover, Audit notes that the LCSD has commissioned a consultancy study on “Sport for All — participation patterns of Hong Kong people in physical activity”. The consultancy study will be completed by December 2008. Besides, following the advice of the Community Sports Committee (CSC — Note 10), the Administration has formulated the following six strategies for promoting community sports:

Note 10: *The CSC is one of the committees under the Sports Commission. The Sports Commission, chaired by the Secretary for Home Affairs, is to advise the Administration on the policies, strategies, implementation framework, and the provision of funding and resources in support of sports development in Hong Kong.*

- **Strategy 1** on the formulation of indicators to measure the effectiveness of strategies for promoting community sports
- **Strategy 2** on coordinating and strengthening liaison and collaboration amongst major partners involved in promoting community sports
- **Strategy 3** on the organisation of the Hong Kong Games to enhance public interest in participating sports and to foster communication and collaboration among the 18 districts and major partners
- **Strategy 4** on intensifying the scope of school sports programme and better utilising the school sports facilities
- **Strategy 5** on the development of district sports activities with local characteristics in the 18 districts
- **Strategy 6** on the provision of suitable sports for different age groups

2.19 Audit considers that the LCSD needs to actively consult the DCs, NSAs and DSAs in preparing the DLSOs’ annual R&S programme plans, making reference to the outcome of the consultancy study on “*Sport for All*” and the strategies for promoting community sports. The LCSD also needs to set performance measures for the annual R&S programmes. Such performance measures may include, for example, TPRs for the general population and for special population groups.

Audit recommendations

2.20 **Audit has recommended that the Director of Leisure and Cultural Services should, in consultation with the Director of Home Affairs:**

Need to critically review the funding allocation among districts

- (a) **critically review the R&S funding allocation among districts, taking into account the views of major stakeholders, when planning R&S programmes to meet local people’s needs;**

Need to address the great differences in participation rates among districts

- (b) **step up efforts to improve the participation rates in R&S programmes for districts with low participation rates for specific population groups (i.e. older persons and persons with disabilities) and/or the general population;**

Need to address the needs of other special population groups

- (c) **explore more opportunities to organise tailor-made R&S programmes to address the needs of other special population groups; and**

Need to consider developments affecting provision of R&S services

- (d) **actively consult the DCs, NSAs and DSAs in preparing the annual programme plans for districts, making reference to the outcome of the consultancy study on “Sport for All” and the strategies for promoting community sports, and set targets/parameters to measure the effectiveness of the plans.**

Response from the Administration

2.21 The **Director of Leisure and Cultural Services** agrees with the audit recommendations. He has said that:

- (a) since 2008-09, the approval of funding for district R&S activities rests with the DCs. The DLSOs now apply to their respective DCs for the funding. In drawing up their funding proposals, the DLSOs will:
 - (i) take into account the views and needs of the local community, NSAs and DSAs;
 - (ii) focus on activities popular to the local community concerned; and
 - (iii) take into account the views and needs of special population groups in the respective districts. The LCSD believes that the DCs, as the approving authority, would also take into account the same in vetting the LCSD’s funding applications. The DLSOs will also have to collaborate with the relevant non-government organisations in organising activities for the special groups; and

- (b) the findings of the consultancy study on “*Sport for All*” and the strategies for promoting community sports will also be the guiding principles in the LCSD’s work on R&S programmes.

2.22 The **Director of Home Affairs** has said that the HAD would stand ready to assist the LCSD in its efforts to enhance the existing system of funding allocation and its consultation with the DCs as appropriate.

Performance reporting of the promotion of “*Sport for All*”

2.23 The LCSD aims to promote the culture of “*Sport for All*”. In Chapter 6 of the Director of Audit’s Report No. 45 of October 2005, Audit used the LCSD Programme “*Recreation and Sports*” as one of the case studies to show the need for reporting more outcome measures in the CORs to reflect the extent to which Government Bureaux and Departments had achieved their operational objectives.

2.24 The LCSD accepted the audit recommendation of setting targets, particularly outcome targets, in the CORs to reflect its effectiveness in discharging the work under the Programme “*Recreation and Sports*”. In the COR for 2008-09, Audit noted that the LCSD had set 14 targets (including 6 outcome targets) and 26 indicators. Details are at Appendix A. This is an improvement. Audit welcomes the LCSD’s efforts, but considers that there is still room for further improvement.

Audit observations and recommendations

Publication of more outcome performance measures

2.25 As mentioned in paragraph 2.18, the LCSD has commissioned a consultant to study the participation patterns of Hong Kong people in physical activity. Phase 1 of the consultancy study aimed at establishing a set of indicators for measuring the effectiveness of “*Sport for All*”. In January 2008, the consultant completed Phase 1 of the study and found that most countries/economies/cities:

- (a) recognised the importance of physical activities and sports to the maintenance and improvement of health;
- (b) regarded the level of participation in physical activities and sports as a key indicator for measuring the effectiveness of the promotion of “*Sport for All*”; and

- (c) had formulated their own indicators for measuring the level of participation in accordance with their local needs.

2.26 The consultant recommended that:

- (a) indicators set by the United States Centre for Diseases Control and Department of Health and Human Services should be adopted in Hong Kong to measure the level of participation in physical activities and sports; and
- (b) indicators on the minimum amount of physical activities for health attainment should be divided into three age groups, namely “7 to 12”, “13 to 19” and “20 or above”.

2.27 In line with the overseas practices, the LCSD may wish to take into consideration the consultant’s recommendations in improving the existing performance measures in the CORs and developing further performance measures, where appropriate, for inclusion in the CORs. The LCSD may also wish to formulate, in collaboration with stakeholders in the community, the Government’s long-term development strategy to promote “*Sport for All*”. Audit understands that the LCSD is only one of the stakeholders in promoting “*Sport for All*” and it may not be entirely appropriate to include performance measures on “*Sport for All*” in the LCSD’s CORs as if it is the only party accountable. Nevertheless, given that the formulation of indicators to measure effectiveness is one of the Administration’s strategies for promoting community sports (see para. 2.18), there is a need for the LCSD to consult/liaise with other stakeholders to develop suitable performance measures on “*Sport for All*” and have the results for such measures reported in key performance documents in the future.

Audit recommendations

2.28 **Audit has recommended that the Director of Leisure and Cultural Services should:**

- (a) **take into consideration the consultant’s recommendations in improving the existing performance measures in the CORs and developing further performance measures, where appropriate, for inclusion in the CORs;**

- (b) **formulate, in collaboration with stakeholders in the community, the Government’s long-term development strategy to further promote “*Sport for All*”; and**
- (c) **consult/liaise with other stakeholders to develop suitable performance measures on “*Sport for All*” and have the results for such measures reported in key performance documents in the future.**

Response from the Administration

2.29 The **Director of Leisure and Cultural Services** agrees with the audit recommendations. He has said that the LCSD will:

- (a) take into consideration the recommendations in the consultancy report in improving the existing performance measures and developing practicable ways to encourage more people to participate in sports;
- (b) take into account the results and recommendations in the consultancy report and formulate, in collaboration with major stakeholders, a long-term development strategy to further promote “*Sport for All*”; and
- (c) also consult major stakeholders to develop practicable and realistic performance measures on “*Sport for All*”, and will consider how best such measures can be reported in key performance documents.

2.30 The **Secretary for Financial Services and the Treasury** agrees with the audit observations and recommendations. He has said that he will ask the LCSD to consider revising the targets/indicators in the light of the audit recommendations during the preparation of future years’ draft Estimates.

PART 3: ENHANCING THE PROVISION OF RECREATION AND SPORTS SERVICES

3.1 This PART examines the provision of R&S services to identify areas for improvement.

Scope for improvement

3.2 Audit has identified the following areas for improvement:

- (a) promoting responsible use of advance booking rights by priority users (paras. 3.3 to 3.13);
- (b) enhancing the use of heated swimming pools (paras. 3.14 to 3.25); and
- (c) enhancing the services provided under the Free Admission Scheme of LCSD Leisure Facilities (paras. 3.26 to 3.36).

Promoting responsible use of advance booking rights by priority users

Booking of facilities by users

3.3 The LCSD manages a wide range of R&S facilities for public use, some are fee-charging and some are not. Fee-charging facilities, other than swimming pools, are available for booking by priority and non-priority users in the following ways (Note 11):

- (a) ***Priority users.*** Priority users include schools, NSAs, DSAs, public bodies and bona fide associations and corporations endorsed by the LCSD. To facilitate event coordination and preparation, these organisations can book fee-charging facilities (Note 12) by submitting applications to the LCSD **3 to 12 months** (depending on the type of organisations) in advance of the day of use. They have to pay the hire charges at least 10 working days before the day of use. Under the FUS (see para. 1.5), certain priority users (such as schools, NSAs and DSAs) can also book the free use of some fee-charging facilities; and

Note 11: *Free-to-use facilities may also be booked for training and competition purposes. Because such facilities are open for the public's free use, any unused booked sessions would be more readily taken up by walk-in users than those of fee-charging facilities (see para. 3.9(b)).*

Note 12: *There is a quota control over the maximum number of facilities/sessions available for booking by priority users.*

- (b) *Non-priority users.* Non-priority users refer to any members of the public. They can book fee-charging facilities **30 days** in advance of the day of use. They can make bookings in person at the booking counters of major R&S venues and the DLSOs, through the self-service kiosks installed at these venues, through the Internet, or by telephone. They have to pay the hire charges immediately except for telephone booking in which case payment must be made within three days of the telephone reservation.

3.4 Facilities (e.g. badminton courts) are generally available for booking in one-hour sessions, except squash courts and tennis practice courts (in 30-minute sessions), and turf pitches (in 90-minute sessions).

Cancellation of facility bookings by priority users

3.5 Priority users are allowed to reserve R&S facilities 3 to 12 months in advance. According to the existing LCSD procedures, priority users should not cancel any bookings made unless there are strong and justifiable reasons. They should notify the LCSD of such cancellation **at least 40 days** before the day of use. Upon receipt of cancellation notices, the LCSD will release the facilities concerned for public booking, so as to minimise possible idling of facilities.

Audit observations and recommendations

3.6 Audit reviewed the usage of R&S facilities booked by priority users in 2007-08 to ascertain whether they had taken up the booked sessions and, if not, whether they had given adequate notices to cancel their bookings. The results are shown in Table 5.

Table 5
Bookings not taken up by priority users
(2007-08)

Booking of facilities	Bookings made (Number of hours) ('000)	Booked sessions not taken up (Number of hours)			
		Cancellation notice given at least 40 days before use (a) ('000)	Cancellation notice given less than 40 days before use (b) ('000)	No cancellation notice given (c) ('000)	Total (d) = (a)+(b)+(c) ('000)
Under FUS	188	12	7	1	20
Not under FUS	823	6	5	2	13
Overall	1,011	18	12	3	33

Source: Audit analysis of LCSD records

3.7 Table 5 shows that in 2007-08:

- (a) for a total of 33,000 hours, priority users did not take up their booked sessions. This represents 3% of their bookings (1,011,000 hours);
- (b) for 12,000 (36% of 33,000) hours, notices for cancellation of booking were given later than required, i.e. less than 40 days prior to the day of use; and
- (c) for 3,000 (9% of 33,000) hours, notices for cancellation of booking were not given. In other words, the priority users simply did not turn up.

3.8 Audit analysis of the 3,000 hours without notices for cancellation of booking (see column (c) in Table 5) further revealed that some priority users frequently failed to cancel their bookings. For example, in 2007-08, two priority users failed to take up their booked sessions for a total of 540 hours, yet they had not given any cancellation notices.

3.9 The LCSD handles the cancellation of bookings by priority users in the following manner:

- (a) when a priority user has given a cancellation notice (whether or not the 40-day requirement has been met), the LCSD will release the facility concerned for public booking as soon as possible; and
- (b) when a priority user has **not** given any cancellation notice and fails to turn up, the LCSD can only release the booked facility for free use by walk-in users provided that other facilities of the same type in the sports venue are all in use. Notwithstanding this, there is still a chance that the facility concerned might end up unused.

3.10 Audit noted that different LCSD sports venues adopted different practices to deal with priority users who failed to cancel their bookings. For example, in some venues, the LCSD staff issued advisory letters to the priority users, reminding them to comply with the cancellation requirement (i.e. giving at least 40 days' notice prior to the day of use — see para. 3.5) whereas in some venues, the LCSD staff simply gave verbal advice or took no action.

3.11 The LCSD laid down in its “Guidelines on Implementation of Penalty System for Bookings/Uses of Land-based Leisure Facilities” of January 2003 that any priority user who has contravened the conditions of use (e.g. failing to use his booked facility without satisfactory explanation) on two occasions in any 12-month period in the same venue would have his priority booking status suspended for one year. Audit noted that some LCSD staff of different venues might not have strictly followed the guidelines.

Audit recommendations

3.12 **Audit has recommended that the Director of Leisure and Cultural Services should:**

- (a) **remind priority users of the importance of using their booked facilities and of giving proper cancellation notices as early as possible if they cannot turn up; and**
- (b) **remind venue staff to follow the prevailing guidelines in dealing with priority users who fail to use their booked facilities without giving cancellation notices.**

Response from the Administration

3.13 The **Director of Leisure and Cultural Services** agrees with the audit recommendations. He has said that:

- (a) in the letters issued to priority users confirming their bookings, the LCSD will remind them that the department reserves the right to refuse to accept further bookings from them should they fail to use the booked facilities without giving proper cancellation notices; and
- (b) the LCSD will remind venue staff to follow the prevailing guidelines in dealing with priority users who fail to use their booked facilities without giving cancellation notices.

Enhancing the use of heated swimming pools

3.14 Swimming is popular in Hong Kong. In 2007-08, the number of attendances at the LCSD swimming pools was 9.1 million.

3.15 The LCSD operates 37 swimming pool complexes (SPCs). In each of the complexes, there can be several swimming pools of different types (e.g. main pool, secondary pool, teaching/training pool, fun/leisure pool and diving pool). These swimming pools are either non-heated or heated:

- (a) *non-heated pools* are open during April to October and closed during November to March (when annual maintenance takes place); and
- (b) *heated pools (indoor and outdoor)* are open throughout the year, except during the periods when annual maintenance takes place. The maintenance periods usually fall in April and May or September and October each year (when there is a lower demand for heated pools). In cool seasons, heated pools are generally in higher demand than non-heated pools. In 2007-08, the three SPCs with the highest attendances all have heated pools.

Audit observations and recommendations

Maintenance of heated swimming pools

3.16 The maintenance of the LCSD swimming pools is carried out jointly by the Architectural Services Department (ArchSD) and the Electrical and Mechanical Services Department (EMSD). The ArchSD is responsible for the maintenance of all items except electrical and mechanical equipment (e.g. filtration plants) which is the responsibility of the EMSD.

3.17 At a meeting held in June 2001 among the LCSD, the ArchSD and the EMSD to discuss the feasibility of shortening the annual maintenance periods of swimming pools, it was confirmed that:

- (a) the ArchSD could generally complete its annual maintenance works **within one month's time**. If necessary, some minor refurbishment works could be done by closing some SPC facilities partially, while the pools remained open to the public; and
- (b) the EMSD would also endeavour to complete its part of the maintenance works **within one month's time**.

The meeting agreed that emphasis should be placed on shortening the maintenance periods of heated pools, and the LCSD would coordinate the maintenance works.

3.18 As advised by LCSD staff in September 2008, in addition to the one month required for the ArchSD/EMSD's maintenance works, the LCSD would require a lead time of **3 weeks** for preparatory work (such as cleaning of pools, re-filling and testing of water, and tuning of the circulation and filtration systems) before the pools could be re-opened. Therefore, it appeared practicable to complete the maintenance of heated pools by all parties concerned within 51 days (one month plus 3 weeks).

3.19 Of the 37 SPCs operated by the LCSD, 16 have heated pools. As the length of maintenance has an impact on the opening periods, Audit examined the maintenance periods of these heated pools. An analysis of the maintenance periods in 2007-08 of these 16 heated pools (at Appendix B) shows that in most cases, some 60 days were taken to complete the maintenance. Audit considers that the maintenance periods could be shortened from 60 days to 51 days. To enhance the services provided to the public, the LCSD/ArchSD/EMSD may wish to explore further ways to shorten the maintenance periods.

Usage of Wan Chai Swimming Pool Complex

3.20 The Wan Chai SPC, which contains only a 50-meter outdoor heated pool, is used solely for group training purpose. The pool is divided into a number of swimming lanes. Only organisations can book the use of the lanes. Depending on the bookings, up to 10 lanes may be opened. Audit found that in 2007, during peak periods, 95% of the swimming lanes were used but, during non-peak periods, only 58% were used.

3.21 In the Wan Chai District, apart from the Wan Chai SPC, public swimming pools are only available at the Morrison Hill SPC. In contrast with the Wan Chai SPC, the pools at the Morrison Hill SPC were very busy throughout the year. Among all the SPCs in the territory, the Morrison Hill SPC had the second highest attendances in 2007.

3.22 The LCSD may wish to consider promoting the usage of the Wan Chai SPC, including encouraging group users to make more use of the spare capacity of the Wan Chai SPC during non-peak periods.

Audit recommendations

3.23 **To enhance the public swimming pool services, Audit has recommended that the Director of Leisure and Cultural Services should:**

- (a) **make efforts, in collaboration with the Director of Architectural Services and the Director of Electrical and Mechanical Services, to shorten the duration for the maintenance of heated pools as far as possible; and**
- (b) **promote the usage of the Wan Chai SPC during non-peak periods.**

Response from the Administration

3.24 The **Director of Leisure and Cultural Services** agrees with the audit recommendations. He has said that:

- (a) the LCSD will work with the ArchSD and the EMSD to try to shorten the duration for the maintenance of heated pools; and
- (b) the LCSD has been promoting the usage of the Wan Chai SPC during non-peak hours by encouraging group bookings from nearby organisations and government departments. The LCSD will conduct further promotion exercises targeting at potential group users, such as nearby commercial groups and schools, to promote the usage during non-peak hours.

3.25 The **Director of Architectural Services** agrees with the audit recommendation in paragraph 3.23(a). He has said that:

- (a) the ArchSD will collaborate with the LCSD and the EMSD to shorten the duration for maintenance of heated pools and to complete the works within the closure period decided by the LCSD; and

- (b) the ArchSD can generally complete its maintenance works of standard scheduled items within one month's time (see para. 3.17(a)). If the maintenance items are more than the standard scheduled ones, the maintenance works will take a longer time. The annual maintenance of the heated pools of the Yuen Long SPC and the Tuen Mun SPC in 2007-08 are the cases in point (see Appendix B). All along, the ArchSD has been working closely with the LCSD to complete the maintenance works within the agreed closure period decided by the LCSD.

Free Admission Scheme of LCSD Leisure Facilities

3.26 On 1 July 2008, the LCSD launched the Free Admission Scheme of LCSD Leisure Facilities (FAS). The objectives of the FAS were to support the Beijing 2008 Olympic Games, to encourage the public to do exercise more regularly and to promote community sports. Under the FAS, members of the public could use various R&S facilities free of charge. The FAS (from 1 July to 30 September 2008) covered the following facilities:

- (a) indoor facilities such as arenas, activity rooms, squash courts and table-tennis tables;
- (b) outdoor facilities such as bowling greens, golf facilities and tennis courts (but excluding turf pitches); and
- (c) public swimming pools, water sports centres and holiday camps.

3.27 For the three months under the FAS, admission to public swimming pools was on a first-come-first-served basis and no advance booking was required. For the use of other facilities under the FAS, members of the public could make bookings through the existing methods (see para 3.3(b)) 30 days in advance of the day of use. Bookings were processed on a first-come-first-served basis. Each person could book up to two sessions a day of the facilities covered by the FAS (irrespective of the types).

Audit observations and recommendations

High percentage of users not turning up

3.28 During the first month of the FAS in July 2008, major facilities covered by the scheme (such as arenas) were almost fully booked. The overall percentage of sessions booked (82.4%) was significantly higher than that attained in July 2007 (54.8%). However, the LCSD records indicated that, on many occasions, the original hirers did not turn up to use the booked facilities.

3.29 In September 2008, the LCSD informed Audit that since late July 2008, the LCSD had implemented the following arrangements under the FAS with a view to reducing possible wastage and enhancing service to the public:

- (a) a standard form was provided to facilitate hirers not taking up the booked facilities to cancel the bookings in a more convenient way, so that the facilities could be released for booking by others; and
- (b) the LCSD exercised flexibility when there was an unused booked session by:
 - (i) allowing the users of the previous session to continue using the facility until the arrival of the original hirer;
 - (ii) allowing walk-in users to take up the unused booked session immediately after the completion of registration; and
 - (iii) relaxing the requirement of minimum number of users from four to two for use of activity rooms/games rooms/dance rooms for walk-in users to take up the unused booked session.

Despite the above arrangements, it turned out that a total of 547,000 hours of booked sessions under the FAS were not used. A summary of the usage of major facilities under the FAS is shown in Table 6.

Table 6
Usage of major facilities under FAS
(July to September 2008)

Facility	Percentage of available sessions booked (a) (%)	Percentage of booked sessions (i.e. column (a))				
		Used by original hirers (b) (%)	Not taken up by original hirers (c) (%)	Used by other users (d) (%)	Not used (e) = (c) – (d) (%)	Used (f) = (b) + (d) (%)
Activity room	91.1	67.8	32.2	11.1	21.1	78.9
Arena	99.2	70.2	29.8	18.6	11.2	88.8
Dance room	95.8	70.0	30.0	6.7	23.3	76.7
Fitness room	60.0	63.1	36.9	8.6	28.3	71.7
Squash court	92.9	57.4	42.6	18.9	23.7	76.3
Table-tennis table	95.0	57.9	42.1	22.7	19.4	80.6
Tennis court	89.5	52.7	47.3	18.1	29.2	70.8
Overall	78.2	62.2	37.8	15.4	22.4	77.6

Source: *Audit analysis of LCSD records*

3.30 Table 6 reveals that under the FAS:

- (a) for most of the facilities, **over 90%** of the sessions available had been booked;
- (b) however, the percentage of sessions **not** taken up by original hirers (i.e. column (c)) was high. It ranged from **29.8%** for arenas to **47.3%** for tennis courts, with an overall average of **37.8%**; and
- (c) the percentage of sessions **not** used (i.e. column (e)) was rather high for some facilities, e.g. **29.2%** for tennis courts.

3.31 It is noted that the FAS had a positive effect in promoting the usage of R&S facilities. However, it is unsatisfactory that many original hirers did not take up their booked sessions, resulting in some booked facilities not having been fully utilised.

3.32 The fact that the LCSD had allowed users to make bookings 30 days in advance under the FAS might be a factor leading to the high percentage of users not turning up. Given that admission was free, some users might simply make bookings without thinking seriously whether they would use the booked sessions.

3.33 Audit considers that the LCSD should carry out a post-implementation review of the FAS to draw lessons. This is important given that similar schemes may be introduced in future.

Need to pay attention to safety and hygiene concerns

3.34 Admission to public swimming pools during the FAS period was allowed until the pools were full. For July 2008, the total number of attendances of all SPCs was 3 million, which was 1 million over that for July 2007. With the significant increase in the number of attendances, there were safety and hygiene concerns as some swimmers might not be skilful and the pools might always be crammed with people (see Photograph 2).

Photograph 2

**The Morse Park Swimming Pool during FAS period
(31 August 2008)**



Source: LCSD records

Audit recommendations

3.35 Audit has recommended that the Director of Leisure and Cultural Services should:

- (a) conduct a post-implementation review of the FAS to draw lessons; and**
- (b) pay attention to safety and hygiene concerns due to the high attendances at the public swimming pools during the FAS period.**

Response from the Administration

3.36 The **Director of Leisure and Cultural Services** agrees with the audit recommendations. He has said that:

- (a) the LCSD will conduct a post-implementation review of the FAS; and
- (b) during the FAS period, the LCSD imposed a maximum capacity for each swimming pool to ensure that the filtration and disinfection system would not be overloaded. Once a pool's capacity was reached, people would have to queue up for entry. The LCSD also adopted additional measures to enhance the hygiene conditions, such as the provision of additional cleansing workers. The LCSD also provided additional lifeguards to strengthen the lifesaving services to cope with the high attendance.

PART 4: IMPROVING THE USAGE OF RECREATION AND SPORTS FACILITIES

4.1 This PART reviews the LCSD's efforts to improve the usage of R&S facilities (Note 13).

Usage of recreation and sports facilities

Usage of major indoor and outdoor R&S facilities

4.2 The LCSD manages a wide range of indoor and outdoor R&S facilities (see (II)(d) at Appendix A). It also measures the usage of those fee-charging indoor and outdoor R&S facilities (such as arenas and sports grounds). The usage rates of major indoor and outdoor R&S facilities for 2004-05 to 2007-08 are shown in Tables 7 and 8 respectively.

Note 13: *This audit review did not cover the usage of aquatic facilities, which had been examined in detail in 2004. Audit findings relating to the usage of aquatic facilities were reported in Report No. 42 of the Director of Audit of March 2004 (see para. 1.8(a)).*

Table 7

**Usage rates of major indoor R&S facilities
(2004-05 to 2007-08)**

Facility	Usage rate (Note)			
	2004-05	2005-06	2006-07	2007-08
Activity room	56%	60%	62%	64%
Arena	72%	74%	76%	77%
Dance room	59%	60%	62%	63%
Fitness room				
— number of attendances ('000)	1,144	1,267	1,556	1,674
— usage rate based on average room capacities	18%	22%	27%	30%
Squash court	32%	39%	45%	49%
Table-tennis table	45%	45%	48%	50%
Table-tennis table (placed inside squash court)	52%	54%	56%	57%

Source: LCSD records

Note: The usage rate for most facilities is arrived at by dividing "the number of hours/sessions the facility is used" by "the number of hours/sessions the facility is available for use". The usage rates for fitness rooms are based on attendances and the average room capacities.

Table 8

**Usage rates of major outdoor R&S facilities
(2004-05 to 2007-08)**

Facility	Usage rate (Note)			
	2004-05	2005-06	2006-07	2007-08
Artificial turf pitch	82%	79%	80%	76%
Natural turf pitch	100%	100%	100%	100%
Sports ground	93%	96%	96%	97%
Tennis court	44%	44%	49%	52%

Source: LCSD records

Note: See Note to Table 7.

4.3 Table 7 shows that there was an increase in the usage of major indoor R&S facilities over the years, but the usage of fitness rooms and squash courts remained low (below 50%). Table 8 shows that natural turf pitches and sports grounds were heavily used, but there was still spare capacity with tennis courts.

LCSD measures to improve usage of recreation and sports facilities

4.4 The LCSD has taken various measures to promote the usage of those fee-charging indoor and outdoor R&S facilities that have low usage:

- (a) *Measures to promote usage of fitness rooms.* Since May 2006, the LCSD has introduced the “Briefing on Proper Ways to Use Fitness Equipment” to enable new users to become qualified for using fitness rooms, and has also lowered the age limit of users from 18 to 15. In addition, the LCSD has accepted qualified school physical education teachers, holders of fitness cards issued by local universities and members of the disciplinary forces as qualified users of fitness rooms;
- (b) *Conversion of squash courts.* Up to 31 August 2008, for more gainful uses of squash courts, the LCSD had converted 89 squash courts into activity rooms, table-tennis rooms and other uses. The LCSD had also modified 170 of the remaining 235 squash courts so that they could be used both for playing squash and other activities;
- (c) *Conversion of tennis courts.* Up to 31 August 2008, the LCSD had converted 20 tennis courts into basketball courts and other uses; and
- (d) *Implementation of the FUS.* Since 2000, the LCSD has implemented the FUS (see para. 1.5) to improve the usage during non-peak periods of R&S facilities covered by the scheme.

Audit observations and recommendations

4.5 Audit notes that the LCSD has taken actions to improve the usage of both indoor and outdoor R&S facilities. However, the low usage of some facilities (as shown in Tables 7 and 8) indicates that more efforts are needed to enhance their usage, and the provision of similar new facilities needs to be critically assessed.

Provision of R&S facilities with low usage

4.6 In October 2005, the Administration informed a Legislative Council Subcommittee (Note 14) that in considering whether to proceed with any new leisure and cultural services projects, factors including usage rate of existing facilities would be taken into account. Audit has reviewed the provision of R&S facilities in two recently built sports centres, i.e. the Tai Kok Tsui Sports Centre (TKTSC — built in 2006) and the Tin Shui Sports Centre (TSSC — built in 2007).

4.7 Fitness rooms have been provided in both the TKTSC and the TSSC but the demand has been low. During 2007-08, the usage rates of the fitness rooms of the TKTSC and the TSSC were 23% and 26% respectively. Both were lower than the territory-wide usage rate of 30% in 2007-08. Audit examination of the LCSD records did not reveal any justifications for providing fitness rooms in the aforesaid sports centres.

4.8 **Audit considers that, when planning for new R&S facilities (especially those with low usage), the LCSD needs to critically review, in consultation with the DCs, the public demand. Audit also considers that the LCSD needs to take measures to promote the usage of the fitness rooms of the TKTSC and the TSSC.**

Conversion of tennis courts into other gainful uses

4.9 Up to 31 August 2008, the LCSD had converted 20 tennis courts into alternative uses. However, of the remaining 271 tennis courts, Audit noted that some tennis courts had low usage (see examples in Table 9).

Note 14: *The Subcommittee was set up in May 2005 under the Home Affairs Panel of the Legislative Council to follow up on outstanding leisure and cultural services projects of the two former municipal councils. Since the dissolution of the former councils in January 2000, the LCSD has taken up the responsibility of providing leisure and cultural services.*

Table 9
Tennis courts with usage rates less than 30%
(2007-08)

Venue	Number of tennis courts	Usage rate
Cheung Chau Park	3	18%
Tsing Sin Playground	4	20%
Wu Shan Recreation Ground	3	20%
Ma Tau Wai Service Reservoir Playground	4	24%
Shing Mun Valley Park	5	25%
Shun Lee Tsuen Park	2	28%
Shek Lei Street Tennis Courts	2	29%

Source: LCSD records

4.10 Audit considers that there is still scope for converting some of the tennis courts into alternative uses (except the ones at the Cheung Chau Park, as they are the only tennis facilities available in the Islands District). **The LCSD may wish to continue monitoring the usage of tennis courts, and convert those courts with particularly low usage into other more gainful uses.**

Training courses organised by LCSD

4.11 R&S training courses organised by the LCSD are generally very popular. In 2006-07, the overall subscription rate of all training courses organised by the LCSD was 97% (as at 30 September 2008, the subscription rate for 2007-08 was not yet available). Audit noted that even for those R&S facilities with usage on the low side (e.g. squash courts and tennis courts), their corresponding training courses had high subscription rates of over 90%.

4.12 Audit, however, noted that the number of training courses organised for squash and tennis was relatively low. For example, in 2006-07, 526 training courses on squash and 720 on tennis were organised. They only represented 3.5% and 4.8% respectively of all 14,900 courses organised.

4.13 Given the high subscription rates of the LCSD training courses, Audit considers that there is scope for the LCSD to organise more training courses for those sports with under-utilised facilities (e.g. squash and tennis). This could not only nurture new players of the sports (who might develop a more sustainable interest), but also enhance the usage of the related sports facilities.

Usage of gateball courts

4.14 At present, there are 26 gateball courts (see Note 15 and Photograph 3) in the territory. Gateball courts are outdoor R&S facilities that are free to use. In 2007-08, the overall usage rate of gateball courts was 40%.

Photograph 3

A gateball court



Source: Photograph taken by Audit in July 2008

Note 15: *Gateball is played on a rectangular court. Each court has three gates and a goal pole. Two teams are involved in playing the game. Teams score points by hitting balls through the gates and at the pole.*

4.15 Audit notes that the usage rates of some gateball courts have been particularly low. Table 10 shows those gateball courts that had usage rates at 20% or below in 2007-08.

Table 10
Gateball courts with usage rates at 20% or below
(2007-08)

Venue	Number of courts	Usage rate
Yuen Shin Park	1	2%
Yeung King Playground	1	7%
San Wo Lane Playground	1	11%
Ping Shek Playground	1	13%
Tsing Tin Playground	1	16%
Ap Lei Chau Park	2	20%

Source: LCSD records

4.16 So far, the LCSD has not taken any measures to deal with the low usage of gateball courts. **Audit considers that the LCSD needs to take actions to improve their usage, including considering the need to convert those courts with particularly low usage into other more gainful uses (e.g. turf pitches or landscaped open spaces).**

Audit recommendations

4.17 **Audit has recommended that the Director of Leisure and Cultural Services should:**

- (a) **critically review, in consultation with the DCs, the public demand for R&S facilities (particularly those low-usage ones) when planning for their provision in future;**
- (b) **continue to monitor the usage of tennis courts, and convert those with particularly low usage into other more gainful uses;**

- (c) **organise more training courses for those sports with facilities that are under-utilised; and**
- (d) **take actions to improve the usage of gateball courts including considering the need to convert those courts with particularly low usage into other more gainful uses.**

Response from the Administration

4.18 The **Director of Leisure and Cultural Services** agrees with the audit recommendations. He has said that:

- (a) the LCSD will take necessary measures to further promote the usage of fitness rooms of the TKTSC and the TSSC, such as:
 - (i) distributing promotional leaflets to achieve wider publicity;
 - (ii) organising more fitness briefing sessions to promote fitness activities and invite participants to use these fitness rooms; and
 - (iii) inviting NSAs, DSAs and secondary schools in the vicinity to use these fitness rooms.
- (b) the LCSD has ceased to provide squash courts and tennis courts in projects under planning in view of the low demand. For gateball courts, the LCSD will not provide purpose-built gateball courts in any future projects. For fitness rooms, the LCSD will critically review whether it is still desirable to provide them in future sports centre projects. The LCSD will continue to take into consideration the views of DCs and public demand in the provision of R&S facilities;
- (c) the LCSD will continue to monitor the usage of tennis courts and further explore the feasibility of converting those with particularly low usage into other more gainful uses in consultation with the DCs;
- (d) regarding the particularly low usage of tennis courts as listed in Table 9, the LCSD will take various measures (see Appendix C) to improve their usage. These include opening up the tennis courts for other uses, promoting their usage through liaison with schools, DSAs and non-government organisations, and organising more tennis fun days and training courses;

- (e) the LCSD will apply for funding from DCs to organise more training courses for those sports with facilities that are under-utilised; and

- (f) the LCSD will explore the feasibility of converting those gateball courts with particularly low usage into landscaped open spaces or other uses, in consultation with the DCs and users of the gateball courts. The LCSD has to continue serving the gateball users reasonably. The LCSD will also consider measures to promote the usage of gateball courts, such as opening them up for other uses and organising more fun days or training courses to promote usage.

PART 5: REVIEW OF FEES AND CHARGES

5.1 This PART examines the LCSD's fees and charges for R&S programmes and facilities.

Fees and charges

5.2 Fees and charges for the LCSD's R&S services mainly cover enrolment fees for R&S programmes, and admission and hire charges of R&S facilities. As mentioned in paragraphs 1.4 and 1.7, R&S services provided by the LCSD are heavily subsidised by the Government. In 2007-08, the overall subsidy rate was 80%.

5.3 Financial Circular No. 6/2006 issued by the Financial Services and the Treasury Bureau (FSTB) outlines the arrangements relating to government fees and charges. According to the Financial Circular, government fees and charges should in general be set at levels sufficient to recover the full cost of providing the goods or services. For subsidised fees and charges, they should be set in accordance with the subsidy formulas agreed between the FSTB and the government departments. The Financial Circular further stipulates that:

- (a) Controlling Officers are responsible for ensuring that fees and charges under their purview are regularly reviewed and updated in accordance with Financial and Accounting Regulation 425; and
- (b) fees and charges should generally be reviewed and, where necessary, revised on an annual basis.

Problems with LCSD's fees and charges

Disparity in fees and charges between urban area and New Territories

5.4 In Report No. 43 of the Director of Audit of October 2004 (see para. 1.8(b)), Audit reported on the disparities in the hire charges of R&S facilities between the urban area and the NT. Audit recommended that the LCSD should consider establishing a rational basis for determining the hire charges of facilities in the urban area and in the NT. The Director of Leisure and Cultural Services agreed to consider all audit recommendations on fees and charges in the future fee review exercise.

5.5 However, as at September 2008, the fees and charges for some R&S services in the urban area and in the NT were still not rationalised, as follows:

- (a) different rates were charged for the same types of R&S services between the urban area and the NT; and
- (b) in the NT, there were different rates of charges for peak hours and non-peak hours, but in the urban area, the same rates were charged for both peak and non-peak hours.

Appendix D shows examples of different charges between the urban area and the NT.

5.6 The adoption of different fee structures for the urban area and the NT is not desirable. It has resulted in a number of complaints from the public. As informed by the LCSD, it has also caused operational inefficiencies to the department.

Fees and charges reviews deferred

5.7 **2001 review.** In 2001, the LCSD formed a working group with representatives from the HAB and the then Finance Bureau to review fees and charges, with a view to aligning them between the urban area and the NT. However, due to unfavourable economic climate, the working group deferred the fee alignment exercise.

5.8 **2003 review.** In early 2003, the LCSD reviewed its policy of fees and charges and formulated a set of principles that could be adopted for future review of fees and charges. In late 2003, the HAB considered that given the then unfavourable economic climate, it was not practical to make any adjustments in fees and charges, and there was no immediate need to formulate principles and guidelines for setting fees and charges.

5.9 **Development since 2004.** In November 2004, with the revival of the economy, the FSTB urged the LCSD to resume its fees and charges review. In March 2006, the LCSD submitted to the FSTB some fee alignment proposals. In May 2006, the FSTB advised the LCSD that it was important to establish the cost recovery basis before working on the fee proposals. Given that proper consultation was required for LCSD's fees (which were perceived as livelihood-related), in May 2007, the FSTB requested the LCSD and the HAB to work out a plan for conducting the fees review. The LCSD then formed a working group, including representatives from the HAB. In February 2008, the Working Group estimated that it would take about 42 months to complete the review (which covered not only R&S services but also cultural services) by two stages. The first stage (involving a review of fee-setting principles and the conduct of a full costing of about 740 fee types and 2,600 fee items) would take about 30 months, while the second stage (involving consultation of fee proposals and necessary legislative procedures) would take another 12 months.

5.10 On 16 July 2008, the Chief Executive announced that the Government would freeze fees and charges affecting the general public's daily lives for the 12 months commencing 16 July 2008. The freeze applied to fees and charges of the LCSD's R&S services. In a Circular Memorandum of July 2008, the FSTB advised that, despite the freeze, government bureaux and departments should continue conducting the review of all fees and charges in accordance with the procedures set out in Financial Circular No. 6/2006.

Audit observations and recommendations

5.11 Given that more than eight years have passed since the LCSD took over the responsibility of providing leisure and cultural activities from the former Provisional Urban and Regional Councils, the fact that the fee structures for the urban area and the NT have not yet been aligned is less than desirable. As the current fees and charges freeze period will lapse on 15 July 2009, there is a need to expedite the current fees and charges review spearheaded by the LCSD/HAB Working Group (see para. 5.9) with a view to devising a suitable and aligned fee structure as soon as possible. Audit noted that in July 2008, the Working Group agreed to simplify the costing method with a view to shortening the time required for the review. Audit welcomes this, but considers that more vigorous efforts should be made in this direction.

Audit recommendations

5.12 **Audit has recommended that the Director of Leisure and Cultural Services should:**

- (a) **explore ways to streamline the fees and charges review process; and**
- (b) **monitor closely the progress of the whole review exercise to ensure that rationalised fees and charges for R&S services can be introduced as soon as practicable.**

Response from the Administration

5.13 The **Director of Leisure and Cultural Services** agrees with the audit recommendations. He has said that the Working Group has worked out a financial model for sensitivity analysis based on different target cost recovery rates and has agreed some basic fee-setting rules and alignment principles, such as the standardisation of peak and non-peak hours for urban and NT venues. The LCSD will explore ways to streamline the fees and charges review process and monitor the progress of the current exercise closely.

5.14 The **Secretary for Financial Services and the Treasury** agrees that the LCSD/HAB should expedite the fees and charges review.

Performance measures for the Programme “Recreation and Sports” of the LCSD

(I) Performance targets

Performance target	Target	2005 (Actual)	2006 (Actual)	2007 (Actual)	2008 (Plan)
(a) Recreation and sports activities					
(i) Participants in recreation and sports programmes ('000)	1,785	1,679	1,784	1,815	1,945
(ii) Participants in school sports programmes ('000)	520	497	516	541	568
(iii) Participants in national sports associations/sports organisations subvented programmes ('000)	653	654	652	692	696
(iv) Schools participated in school sports programmes (%)	78%	70%	76%	80%	85%
(v) Attendance at public swimming pools ('000)	8,640	8,640	8,766	9,255	9,567
(vi) Attendance at holiday camps ('000)	520	515	497	557	585
(vii) Attendance at water sports centres ('000)	112	102	108	105	112
(viii) Attendance at golf driving ranges ('000)	164	164	169	178	187
(ix) Attendance at non-government organisation camps/water sports centres ('000)	820	817	821	821	821
(b) Usage of recreation and sports facilities					
(i) Average usage rate of sports centres (arena) (%)	73%	73%	75%	77%	79%
(ii) Average usage rate of sports grounds (%)	95%	96%	95%	96%	96%
(iii) Average usage rate of natural turf pitches (%)	100%	100%	100%	100%	100%
(iv) Average usage rate of artificial turf pitches (%)	80%	80%	77%	77%	77%
(v) Average usage rate of tennis courts (%)	45%	44%	43%	51%	53%

(II) Performance indicators

Indicator	2005 (Actual)	2006 (Actual)	2007 (Actual)	2008 (Estimate)
(a) Recreation and sports programmes organised	29,046	29,113	33,506	33,900
(i) Programmes for persons aged 60 or above	3,218	3,190	3,310	3,350
(ii) Programmes for persons with a disability	990	965	969	1,010
(iii) School sports programmes	6,960	7,075	7,262	7,400
(iv) Others	17,878	17,883	21,965	22,140
(b) National sports associations/sports organisations programmes subvented	8,532	8,131	10,017	10,040
(c) Community sports clubs newly established	35	40	40	30
(d) Recreation and sports facilities				
(i) Gazetted beaches	41	41	41	41
(ii) Children's playgrounds	649	666	670	681
(iii) Natural and artificial turf pitches	71	71	71	71
(iv) Hockey pitches	2	2	2	2
(v) Rugby pitches	2	2	2	2
(vi) Hard surfaced pitches	226	229	231	236
(vii) Holiday camps	4	4	4	4
(viii) Major parks	22	22	22	22
(ix) Sports centres	85	87	88	88
(x) Sports grounds	24	24	24	24
(xi) Squash courts	321	312	305	294
(xii) Stadia	2	2	2	2
(xiii) Swimming pool complexes	36	37	37	37
(xiv) Tennis courts	270	271	271	263
(xv) Water sports centres	5	5	5	5
(xvi) Bowling greens	10	10	10	10
(xvii) Golf driving ranges	4	4	4	4
(e) National sports associations/sports organisations subvented	85	85	85	85
(f) Non-government organisation camps and water sports centres subvented	25	25	25	25

Source: CORs for the LCSD

Maintenance periods of LCSD heated pools
(2007-08)

Swimming pool complex	Maintenance period	Duration (No. of days)	No. of pools involved
<i>With indoor heated pools</i>			
Hammer Hill Road	1.4.07 — 31.5.07	61	2
Hin Tin	N.A. (Note 1)	N.A.	N.A.
Ho Man Tin	1.9.07 — 31.10.07	61	4
Island East	3.9.07 — 31.10.07	59	3
Kowloon Park	1.4.07 — 31.5.07	61	4
Morrison Hill	1.5.07 — 30.6.07	61	4 (including 2 non-heated pools)
Shing Mun Valley	1.9.07 — 31.10.07	61	1
Tai Kok Tsui	1.9.07 — 31.10.07	61	2
<i>With outdoor heated pools</i>			
Fanling	1.4.07 — 31.5.07	61	1
Lai Chi Kok Park	N.A. (Note 2)	N.A.	N.A.
Sha Tin Jockey Club	1.4.07 — 31.5.07	61	2
Sham Shui Po Park	1.10.07 — 30.11.07	61	1
Tseung Kwan O	1.4.07 — 28.5.07	58	1
Tuen Mun	14.1.08 — 31.3.08	78	7 (including 1 heated pool and 6 non-heated pools)
Wan Chai	14.1.08 — 24.2.08	42	1
Yuen Long	21.12.06 — 30.4.07	131 (Note 3)	1

Source: LCSD records

Note 1: The heated pool at the Hin Tin SPC was opened in July 2007. Its annual maintenance took place in 2008-09.

Note 2: The annual maintenance of the heated pool at the Lai Chi Kok Park SPC was deferred and took place in 2008-09.

Note 3: The maintenance works for the Yuen Long SPC had taken longer time to complete due to replacement of the deteriorated water heating system, which was not a standard scheduled maintenance item.

Proposed measures to improve the usage of tennis courts

The LCSD has proposed to take improvement measures for the tennis courts at the following places:

- (a) ***Tsing Sin Playground and Wu Shan Recreation Ground.*** The LCSD will open up the tennis courts for other uses such as Tai Chi training courses and will organise more tennis fun days and training courses to promote the usage;
- (b) ***Ma Tau Wai Service Reservoir Playground.*** The proposal for conversion of two out of the four tennis courts into a basketball court received negative response from the public in 2005. The LCSD will continue to open up the tennis courts for other uses to promote the usage;
- (c) ***Shing Mun Valley Park.*** Three out of the five tennis courts will be converted into a hard surfaced 5-a-side mini soccer pitch cum archery practice range. The conversion work commenced in September 2008;
- (d) ***Shun Lee Tsuen Park.*** The LCSD will continue to promote the usage such as liaising with schools, DSAs and non-government organisations to invite them to use the tennis courts and organise more fun days and training courses to boost the utilisation; and
- (e) ***Shek Lei Street.*** One tennis court was converted into a basketball practice court in 2006. Public concern is anticipated about converting the remaining two tennis courts into other uses as they are the only public tennis facilities in the Kwai Chung area. The LCSD will continue to promote usage such as opening up the courts for other uses.

Source: LCSD response of October 2008

Appendix D
(para. 5.5 refers)

Examples of different charges between urban area and New Territories

Facility	Hourly charge in urban area	Hourly charge in NT	
		Peak hours	Non-peak hours
<i>Hire charges of indoor facilities (with air-conditioning)</i>			
Badminton court	\$59	\$66	\$51
Basketball court and volleyball court	\$236	\$148	\$120
Large activity room	\$75	\$57	\$54
Table-tennis table	\$21	\$14	\$13
Use of fitness equipment	\$17	\$14	\$13
<i>Hire charges of outdoor facilities (without floodlight)</i>			
Tennis court	\$42	\$52	\$34

Source: LCSD records

Acronyms and abbreviations

ArchSD	Architectural Services Department
Audit	Audit Commission
CORs	Controlling Officer's Reports
CSC	Community Sports Committee
DCs	District Councils
DLSOs	District Leisure Services Offices
DSAs	District sports associations
EMSD	Electrical and Mechanical Services Department
FAS	Free Admission Scheme of LCSD Leisure Facilities
FSTB	Financial Services and the Treasury Bureau
FUS	Free Use Scheme
HAB	Home Affairs Bureau
HAD	Home Affairs Department
HQs	Headquarters
LCSD	Leisure and Cultural Services Department
NSAs	National sports associations
NT	New Territories
R&S	Recreation and sports
SPCs	Swimming pool complexes
TKTSC	Tai Kok Tsui Sports Centre
TPRs	Target participation rates
TSSC	Tin Shui Sports Centre