Executive Summary

Direct Investigation
Booking and Use of Sports Facilities of Leisure and Cultural Services Department

The Office of The Ombudsman received complaints from time to time about sports facilities of the Leisure and Cultural Services Department ("LCSD"), mostly about their booking and use. Over the past two years, for instance, this Office has handled more than 50 such complaint cases.

2. About 80% of the operating costs of LCSD sports facilities are subsidised by public funds. Users come from all walks of life in different age groups. It is, therefore, of utmost importance to ensure that members of the public have a fair chance to use the facilities and that abuse and wastage should be prevented as far as possible.

3. In this connection, and pursuant to The Ombudsman Ordinance (Cap 397), The Ombudsman announced on 5 July 2011 to initiate a direct investigation into the mechanism and arrangements regarding the booking and allocation of LCSD sports facilities with a view to identifying areas for improvement.

Current Arrangements

4. Demand for sports facilities exceeds their supply in Hong Kong. To foster sports development, LCSD’s policy is to give priority booking rights to certain organisations (including schools, national sports associations ("NSAs"), district or community sports clubs, etc). Nevertheless, to cater for the needs of the general public, bookings by organisations are subject to quota control and certain restrictions as follows:

- Booking by organisations: organisations have priority rights to make bookings three to 12 months in advance. However, during peak hours, only one-third of the total available hours of the month may be taken up by organisations, and at any one time not more than half of the total number of facilities available at each venue may be taken up by organisations.

- Individual booking: individuals can book the remaining sessions not taken up by organisations. For fee-charging and non-fee charging facilities, different arrangements apply –
- Fee-charging facilities: bookings can be made 30 days in advance on a first-come, first-served basis through the Leisure Link System ("LLS"), which can be accessed by means of telephone, the Internet, LCSD booking counters and LLS self-service kiosks.

- Non-fee charging facilities: bookings can be made one calendar month in advance by filling in and submitting a form by the end of each month. If more than one application is received for the same session at the same facility, LCSD would allocate the venue by drawing lots on the 10th of each month.

**Four Areas of Concern**

5. Complaints from members of the public and media reports mainly involved the following four areas:
   - touting;
   - difficulties in booking by individuals;
   - difficulties in booking by organisations; and
   - the use of venues.

**Touting**

6. Touting generally refers to the transfer of a permit from the hirer ("A") to another person ("B") for profit. Touting is one of the most widely criticised phenomena. On the one hand it makes it difficult for members of the public to book facilities, while on the other hand it is regarded as improper behaviour because the touts are profiteering with public resources.

7. Three common touting practices are given below:

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| **I.** a. **A** books a ballgame court using his own identity card ("ID card") number and pays the hire charges. He then transfers the right to use the venue to **B** at a higher price.  
   b. At the scheduled time of use, **A** personally signs in at the venue for **B** so that **B** can enter the venue. **A** does not use the venue.  
| **II** a. **A** books a ballgame court using his own ID card number and pays the hire charges. He then transfers the right to use the venue to **B** at a higher price.  

b. A does not show up at the scheduled time of use. The permit is in B’s hands.

c. Holding only the permit but not A’s ID card, B may still be able to use the venue should the venue staff fail to check the identity documents diligently.

III. a. A books a ballgame court using his own ID card number and pays the hire charges. He then transfers the right to use the venue to B at a higher price.

b. A does not show up at the scheduled time of use. The permit is in B’s hands.

c. Where the venue staff checks the identity documents diligently and B, with only the permit, is refused entry to the venue, B can still register as a so-called “stand-by” user and use the venue 10 minutes after the starting time of the booked session. As A will definitely not show up, B can be certain to be able to use the venue for the rest of the session. Such practice is common in venues for team sports where few would appear as a stand-by user.

In the above three scenarios, if A poses as a disabled person or his/her minder, the venue can be booked at a concessionary rate at about half the normal charge for all sessions (including peak hours), hence an even lower cost for touting.

8. While touting activities can be attributed to an excess in demand for sports facilities, deficiencies in the booking system and its execution have fueled such malpractice. The deficiencies include:

- the advance booking period is too long for individual booking;
- the maximum number of hours allowed for individual booking is too generous;
- that individuals can use different identity documents to make multiple bookings is a loophole;
- abuse of system is easy because immediate payment is not required for telephone reservations by individuals;
• the definition of organisations is too lax;
• reallocation arrangements in case of bad weather is too favourable to the hirer;
• venue staff members do not check carefully identity documents when users sign in;
• the way LCSD handles “no show” and the free “stand-by” arrangements provide opportunities for touting; and
• failure to actively crack down on illegal transfer of permits.

Period Allowed for Individual Booking

9. At present, individual booking for sports facilities can be made 30 days in advance.

10. This would allow the touts ample time to find “buyers”. LCSD should consider shortening the advance booking period.

Booking Limits for Individuals

11. Currently, individual hirers are allowed to book a maximum of two hours each day during peak hours for each type of fee-charging facility at the same venue. For non-fee charging facilities, individuals are allowed to book a maximum of two hours per month for each type of facility at the same venue.

12. Such arrangements mean that bookings for facilities at different venues are not subject to any form of control. A hirer can book different facilities at different venues during peak hours on the same day and make a profit through touting.

13. LCSD should consider reducing the maximum booking hours allowed (such as limiting the combined total number of hours each day, each week or each month, etc for different facilities and venues) in order to minimise the chance of touting.

Different Identity Documents Acceptable for Bookings

14. At present, a variety of documents are acceptable as proof of identity when a hirer make bookings and signs in at a venue. The LLS uses the number of the hirer’s identity document to check whether he has booked more hours of facilities than allowed. Therefore, if a hirer uses different identity documents (hence different numbers) to make bookings, the LLS cannot tell whether it is actually the same hirer, thus giving touts an opportunity.
15. We recommend that LCSD find a way to plug this loophole, for example, by accepting only Hong Kong ID card, and, where a hirer has no Hong Kong ID card, his/her passport.

**Telephone Reservation**

16. Immediate payment is normally required for booking sports facilities. However, for telephone reservations payment within three days is allowed. This again provides touts with a window of opportunity. If a buyer can be found during this period, the hirer will pay the hire charge in time; otherwise, no payment will be made.

17. To curb touting activities, LCSD had introduced a number of measures. For instance, starting from June 2012, telephone reservations must be made at least three days in advance, with payment to be made at least one day before the date of use of venue.

18. We are pleased to see efforts made by LCSD in cracking down on touting activities. In the long term, to completely plug the loophole that immediate payment is not required in telephone reservations, and as a matter of fairness, we recommend that an online system accepting immediate payment for telephone reservations be introduced.

**Definition of Organisations**

19. At present, organisations that can enjoy the three-month priority booking rights include “associations” registered as limited companies. The reason that LCSD gives these associations priority booking rights is to encourage the working population to do more physical exercise and it is generally believed that organised group participation is more effective in achieving this objective. However, as such associations are easy to set up, people who engage in touting activities can take advantage of the three-month priority booking rights by just setting up a limited company.

20. We consider it necessary for LCSD to keep an eye on the above phenomenon and adopt administrative measures as necessary to stop such activities. For instance, LCSD can monitor information about touting activities on the Internet, check whether the sessions being offered are booked by such limited companies and conduct
follow-up investigations. If a company is suspected to be involved in the touting of permits and fails to provide any reasonable explanation, LCSD should impose administrative penalties.

**Reallocation in Case of Bad Weather**

21. Under the current arrangements, LCSD can close a facility immediately in bad weather or as circumstances require. While affected hirers will not get a refund of the hire charges, they can book and be reallocated a session on an alternative date and time in the next 60 days. This would mean a 30-day advantage over the ordinary hirer, who can only make bookings 30 days in advance.

22. Some people consider such additional 30-day advance booking privilege an unnecessary concession. Besides, it may encourage touts to book facilities on rainy days and exploit the 60-day gap for touting.

23. We recommend that LCSD review the above arrangements and plug the loophole by, for instance, shortening the 60-day advance booking period or even cancelling the reallocation arrangement altogether.

**Registration and Verification**

24. To forestall unauthorised transfer of permits, it is crucial that venue staff members verify the users’ identities when they sign in and ensure that they are the genuine hirers.

25. According to the LCSD internal guidelines, venue staff are required to collect the permits and check the users’ identity documents against the booking records before allowing users to enter the facilities.

26. However, our investigation found that many venue staff failed to follow strictly the verification procedure. Furthermore, the registration records of most venues were quite rudimentary, with no indication of whether the staff members had checked the users’ identity documents, making it difficult for the management to conduct any review afterwards.

27. Since the commencement of our investigation, LCSD introduced a number of improvement measures. These included reminding all venue staff members of the importance of following strictly the verification procedure to check carefully the identity documents of all users who sign in. The management will monitor covertly their performance. Meanwhile, an enhanced registration form has been adopted for all venues.
28. We are pleased to see these improvement measures recently introduced by LCSD. We urge the Department to keep up strict observance of the verification procedure and to step up its supervision of venue staff.

“No Show” Cases and “Stand-by” Arrangements

29. People who wish to have free use of facilities not taken up by the original hirers may register at the LCSD counter after the starting time of a session. Such allocation is made on a first-come, first-served basis. However, “stand-by” users are required to surrender the facilities upon subsequent arrival of the original hirers. LCSD will forfeit all hiring charges paid by hirers who fail to show up, but no further penalties will be imposed on them.

30. The “stand-by” mechanism is intended to minimise any waste of available facilities, while protecting the “rights” of the original hirers to use the facilities in case of late arrival. However, the mechanism has provided low-cost opportunities for touting, and given rise to the phenomenon of pre-planned “no show” and “stand-by”, as demonstrated in Case III of Touting Practices in para. 7.

31. LCSD’s records showed “no show” and “stand-by” to be a common phenomenon, especially in the case of football pitches. Taking the example of artificial turf pitches during July to September 2011, “no show” accounted for 37% of all sessions booked by individuals; and of these “no show” sessions, 87% were taken up by “stand-by” users. These figures suggest that the current arrangements provided an easy opportunity for the touting business. The problem needs to be addressed by LCSD.

32. We recommend that LCSD:

- consider imposing penalties on individuals who fail to show up for their reserved sessions, such as suspending their eligibility to make further bookings; and

- review the “stand-by” mechanism, including considering charging fees on “stand-by” users or abolishing the “stand-by” mechanism on a trial basis at facilities/venues (e.g. football pitches) where the problem is serious.

Measures against Unauthorised Transfer of Permits

33. The Conditions of Use of LCSD sports facilities stipulate that the hirer must be one of the users using the reserved facilities and the permit is not transferable. If any unauthorised transfer is found, LCSD should be able to take administrative measures, such as suspension of the hirer’s eligibility to make any further bookings.
34. According to information from LCSD, there were a total of eight cases of unauthorised transfer of permits detected in 2010/11 and 2011/12. The actions taken by LCSD were as follows:

- In three cases, the persons concerned were not allowed to sign in and use the facilities as their personal data did not match those of the original hirers. No further action was taken in respect of the hirers; and

- The other five cases involved not only unauthorised transfer of permits, but also tampering with the hirers’ ID card numbers recorded on the permits. LCSD reported the cases to the Police for possible charge of “using false document”. However, it took no follow-up action on the unauthorised transfer of permits.

35. In our view, LCSD was actually condoning touting activities when it failed to impose any administrative penalties on the hirers even though there was evidence of unauthorised transfer. LCSD should use administrative penalties to curb unauthorised transfer of permits, such as not allowing the offenders to make bookings for a certain period of time.

36. If blatant touting activities are found, LCSD should actively track information on the Internet about touting activities. It should step up efforts to investigate suspected cases, such as conducting on-site search for evidence of non-compliance, and also impose appropriate administrative penalties as a deterrent.

**Difficulties in Booking by Individuals**

37. Complaints about difficulties in booking by individuals are partly attributable to touting activities. In addition, there are four other issues:

- low transparency about the quotas for booking by organisations;

- difficulties of accessing the LLS to book fee-charging facilities during the morning rush hour;

- lack of a convenient computerised system for booking non-fee charging facilities; and

- the inconvenience caused by the stipulation that only hirers are allowed to sign in can.
**Transparency of Quotas for Booking by Organisations**

38. According to the guidelines and notices issued by LCSD:

- During peak hours, only one-third of the total number of available hours each month may be allowed for block booking by organisations at each venue.

- Activities organised by the Home Affairs Bureau (“HAB”) and LCSD are not subject to any quota control in the booking of facilities.

- For urban venues, peak hours are from 5 pm to 11 pm on weekdays (i.e. from Monday to Friday, except public holidays), and the whole day on Saturday, Sunday and public holidays. For venues in the New Territories, the definition is similar with some variations.

39. Under the above arrangements, the general understanding is that for peak hours, individuals should be allowed to book and use two-thirds of the total available hours of the month at each venue.

40. The records of LCSD venues showed that, if the quotas taken up by HAB and LCSD were excluded, the total number of peak hours booked by general organisations normally did not exceed 33%. However, when HAB and LCSD were taken into account, bookings by organisations often exceeded 33%, and were as high as 65% in some venues, leaving as little as 35% for individuals. If we focus only on the most popular time slots during peak hours (e.g. from 7 pm to 10 pm), the bookings by organisations at certain venues even exceeded 80%, with less than 20% available for individuals.

41. The above figures show that the calculation of block booking quotas lacks transparency. Though LCSD has already explained in the booking procedures that HAB and LCSD are not subject to any quota control in the booking of facilities, we recommend that LCSD reviews the situation in order to increase transparency and considers:

- setting quotas for the most popular time slots; and

- increasing the transparency of bookings made by HAB and LCSD (such as setting separate quotas or including them in the quotas for booking by organisations).
**LLS Operations during Morning Rush Hour**

42. Booking of fee-charging facilities by individuals, whether by means of LCSD counter service, LLS self-service kiosks, the Internet or telephone reservation, must be made by accessing the LLS on a first-come, first-served basis. A number of complaints alleged that it often took a long time to log on to the LLS during the morning rush hour when the system started to accept bookings. When one finally managed to log in, the most desirable sessions and venues had often been reserved. Furthermore, since the LLS did not have any automatic queuing function, users had to keep trying to log on when there was network congestion. This was very time-consuming.

43. After the first phase of upgrade for the LLS was completed, the situation has improved recently. According to statistics provided by LCSD, the number of online transactions completed during the morning peak session (from 7:00 am to 7:05 am) has increased from 360 to 560 (up 56%) on average.

44. We recommend that LCSD continue to explore further improvement measures to shorten the time needed for accessing the LLS during the morning peak session, such as increasing the system capacity and processing speed, as well as adding an automatic queuing function for online bookings.

**Online Booking of Non-fee Charging Facilities**

45. The LLS does not support the booking of non-fee charging facilities. Individuals who wish to book these facilities are required to submit an application in writing one calendar month in advance. Allocation may be made by drawing lots where necessary. This arrangement is inadequate because:

- applicants have to rely on sheer luck to get their desirable sessions;
- applicants are not informed immediately of the results;
- information about facilities available cannot be checked online; and
- without computerised records, it would be difficult for LCSD to enforce any maximum limit on booking by individual applicants.

46. We take the view that LCSD should provide a computerised system for booking non-fee charging facilities as soon as possible.

**Signing In by Original Hirers Only**

47. Currently, LCSD stipulates that hirers must sign in personally at the time of use. If the hirers are absent or late due to sickness or other reasons, their friends may not be allowed to enter the facilities even though they have the valid permits. Some members of the public complained that such an arrangement caused them
inconvenience.

48. We recommend that LCSD, while enforcing strictly the registration procedure, consider making the system more flexible, such as allowing a hirer to authorise at the time of booking another user to sign in. LCSD may thus strike a better balance between curbing touting activities and allowing genuine users to sign in under special circumstances.

**Difficulties in Booking by Organisations**

49. The two major difficulties that organisations have encountered in making bookings are:

- the long period taken for approving applications; and
- the long notice period required for cancellation.

**Processing Time for Booking Applications**

50. Some NSAs told us that although they could make bookings 12 months in advance, confirmation from LCSD about the availability of their selected sessions often came very late. Sometimes, it only confirmed around one month before the date of use, thereby causing difficulties to NSAs in organising competitions and training events (including enrolment of participants). They suspected that LCSD deliberately delayed the confirmation because other hirers with higher priority rights (namely LCSD or HAB) had also indicated their intention to hire the same venues but had not decided on which sessions.

51. Based on four cases we studied and the relevant LCSD guidelines, we had the following observations:

- Delay in replying to applications: According to LCSD, its staff should send confirmation to the NSAs regarding their applications four months before the date of use. In all the four cases studied LCSD staff had failed to comply with this requirement. Our study of the relevant staff guideline showed that the wording was unclear and inadequate.

- Priority of HAB and LCSD: LCSD explained that its departmental policy was to give priority to LCSD and HAB over other organisations only when their applications were received on the same day. Otherwise, the principle of first-come, first-served should apply. In the cases we studied, there was no evidence to show that LCSD had, as NSAs
suspected, held up the applications from NSAs on account of unconfirmed applications from LCSD and HAB. However, the relevant guidelines, which only stated that LCSD and HAB “should be given higher priority in making advance bookings”, were unclear and over-simplistic. It might have led LCSD staff to think that they should wait until LCSD and HAB had confirmed their sessions before processing applications from other organisations. LCSD should revise the guidelines and clarify with its staff as soon as possible.

- In one of the cases, LCSD staff tried to contact an NSA by telephone nine times over a period of four months without success, and yet did not try any other means of communication.

52. It is our view that LCSD should:

- carefully review and amend the unclear guidelines so that its staff members can be given adequate guidance and instructions; and

- adopt improvement measures to better communicate with organisations (e.g. use of emails).

Notice Period for Cancellation

53. At present, organisations that intend to cancel their booked sessions of sports facilities must notify LCSD 40 days before the date of use, because LCSD allows individuals to book the remaining sessions 30 days in advance. Those who fail to do so without reasonable justification will be penalised.

54. A number of organisations told us that they needed lead time for enrolment of participants when organising a sports event or competition. Deadline for enrolment was usually set at 30 days prior to the date of the event. In case of insufficient number of applicants, the event would be called off, but then the 40-day notice period for cancellation of the venue/session booked would have already expired. The requirement of 40-day notice period for cancellation was, therefore, causing difficulties to the organisations and not practical.

55. We recommend that LCSD consider shortening the notice period for cancellation of booking by organisations, at the same time as it considers shortening the advance booking period for individuals.
The Use of Venues

56. The use of venues and waste of venue resources can be examined from the following perspectives:

- individuals failing to cancel their bookings;
- organisations failing to use their bookings; and
- adjustments on opening hours to increase the availability of venues.

Cancellation of Individual Bookings

57. Individuals who want to cancel their bookings must do so in writing. They must produce an identity document or its copy and they need to surrender the permit to LCSD. The procedure is inconvenient, and they do not get any refund. On the other hand, if they simply do not show up without cancelling their bookings, there is no penalty. So, it is not uncommon that hirers choose not to cancel their bookings even when they cannot not use the venues, resulting in a waste of venue resources.

58. We recommend that LCSD consider simplifying the procedure for cancelling individual bookings.

Organisations Failing to Use the Booked Venues

59. At present an organisation which cannot use its booking is required to cancel it 40 days in advance. Under LCSD guidelines, an organisation which fails to comply with this rule three times at the same venue within 12 months will get a warning letter. If the organisation fails to comply with the rule again at the same venue in the ensuing 12 months, its priority booking rights will be suspended for a period of 12 months.

60. In other words, an organisation will be penalised only after it has failed to comply with the rule four times at the same venue. This penalty is rather lenient and should be reviewed. At present many organisations fail to comply with the rule because the 40-day notice period for cancellation is not practical. We recommend that LCSD review the penalty for non-compliance after it has shortened the 40-day notice period for cancellation.

Adjusting the Opening Hours

61. With demand exceeding supply, LCSD has the responsibility to maximise the use of its venues. After reviewing the opening hours of a number of facilities, we consider there to be room for adjustment to increase supply. For example, if the artificial turf football pitches can open earlier in the morning and the sprinkling time is shortened, or the time reserved for nurturing the natural grass pitches can be slightly
reduced, then more sessions would be available. We, therefore, recommend that LCSD consider adjusting the opening hours of the venues to increase supply.

Our Recommendations

62. After examining the existing system and arrangements, we have a total of 22 recommendations for LCSD:

- 11 recommendations on curbing touting activities (paras. 10, 13, 15, 18, 20, 23, 28, 32, 35 and 36);

- 4 recommendations on booking by individuals (paras. 41, 44, 46 and 48);

- 3 recommendations on booking by organisations (paras. 52 and 55);

- 3 recommendations on use of venues (paras. 58, 60 and 61); and

- Overall, LCSD should fully consult its stakeholders before introducing major changes. It should also continue to listen to stakeholders’ opinions and review its system and arrangements from time to time in order to meet the needs of the public.

Office of The Ombudsman
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