

**Public Accounts Committee
16 May 2020**

**Report No. 74 of the Director of Audit
Management of funding for sports development through the Arts
and Sport Development Fund (Sports Portion) (Chapter 1)**

**Opening Speech of the First Public hearing
for the Secretary of Home Affairs**

Mr. Chairman,

I welcome the hearing convened by the Public Accounts Committee, which gives us an opportunity to respond to the various improvement measures proposed by the Audit Commission in the Director of Audit's Report (Audit Report) regarding the management of the Arts and Sport Development Fund (ASDF) (Sports Portion). To facilitate the Committee's discussion later on, let me first give an introduction and provide some information.

2. The ASDF (Sports Portion) has always been one of the major sources of funding for supporting sports development in Hong Kong. Financial assistance is provided to various types of sports through the ASDF, with the aims of promoting sports in the community, supporting elite sports development and developing Hong Kong as a centre for major international sports events.

3. Since its establishment in 1997, the ASDF has been used for supporting athletes to undergo training overseas and in the Mainland, and to prepare for and participate in major international or national

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competitions, such as the Olympic Games, the Asian Games and the National Games. With funding support under the ASDF, the Government also encourages the “national sports associations” (NSAs) to introduce more major international sports events in Hong Kong so that we can enjoy the spectacle of these events locally. Over the past few years, the ASDF has funded more than 130 international sports events of different scales held in the city, including quite a few hugely popular ones such as the Hong Kong Marathon, the exhibition football match between Kitchee and the defending Premier League champion Manchester City, and the World Rowing Coastal Championships held in Victoria Harbour.

4. Parts 2 and 3 of the Audit Report reviewed the provision of preparation and participation funds for international games, and funding support for the hosting of major international sports events in Hong Kong. The Audit Report made a number of recommendations with regards to the management and operation of ASDF, which include improvement measures for ensuring timely submission of programme reports and audited accounts by the grantees; enhancing the setting and reporting of performance targets for overseas and local competitions and; requesting timely return of unspent balances by grantees, etc. The Home Affairs Bureau (HAB) and the Leisure and Cultural Services Department have immediately taken follow-up actions for these recommendations and will complete the review of relevant procedures and guidelines by end of June this year.

5. To perfect the development of sports, HAB takes into consideration the views and actual needs of the stakeholders, while making use of ASDF to roll out pilot programmes from time to time. Part 5 of the Audit Report reviewed the effectiveness of three of the pilot

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programmes, namely the District Football Funding Scheme launched in 2011, the Striving for Excellence Programme carried out for disability sports since 2011, and the Five-Year Development Programme for Team Sports (Five-Year Programme) initiated in 2018. We are pleased to report that the first two programmes have been regularised and supported by government recurrent funding in view of their positive outcomes.

6. Team sports have always been popular with the general public, especially among the younger generation and students. They provide a good platform for developing co-operation, discipline and solidarity of team members. The development of team sports requires greater support in terms of resources and venues. Generally speaking, individual sports are enjoying better results than team sports in Hong Kong at the moment. To promote the development of team sports, HAB launched the Five-Year Programme in January 2018 and set aside \$130 million under the ASDF as additional funding support to eight team sports of the Asian Games. The Programme aimed to enhancing the performance of these team sports progressively and increasing their chances to attain the status of elite sports in the future. In the past, there were few opportunities for these team sports to participate in major competitions and, when they did, the results were often less than satisfactory. After a mere seven months of training since the launch of the Five-Year Programme, three teams have already achieved the target results in the 2018 Asian Games. They are the baseball (men's) team, handball (men's) team and hockey (women's) team. Under the Five-Year Programme, all eight teams have developed more systematic training programmes and are given increased opportunities to participate in exchanges and competitions overseas. Athletes have also received better support in terms of physical fitness training, sports science and sports medicine. We consider that the

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Five-Year Programme launched only two years ago has already made a positive impact in raising the standards of these team sports. We will continue to work closely with the teams, monitor their progress and provide appropriate assistance in improving their performances.

7. In addition, the Government will continue to provide staunch support to athletes with disabilities in their pursuit of excellence in international sports events. In December 2017, HAB introduced a full-time system for disability sports to provide athletes with disabilities with comprehensive elite sports training through the Hong Kong Sports Institute. In recent years, many countries or regions have stepped up their efforts in developing high performance disability sports, which brought about increased competition globally with a substantial increase in the number of participants and improvement in performance standards. Therefore, we should not look solely at the number of medals our athletes have won at the Paralympic Games and Asian Para Games when we evaluate the effectiveness of the resources put into the Striving for Excellence Programme and the Sustaining Optimal Performance Programme.

8. We accept the recommendations made in Part 6 of the Audit Report regarding the governance of the Sports Commission (SC) and its committees. The Standing Orders of SC have not been updated for quite some years. A review will be conducted as soon as possible to examine if any amendments may be necessary. The average attendance rate at meetings of the SC and its committees was over 70% over the past five years. The attendance rate was lower last year mainly due to the rescheduling of meetings during the period of social unrest. We will take appropriate measures to improve the attendance rate. We have already

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started using video conferencing to facilitate members' virtual participation at our meetings. In addition, we have also taken the initiative to proactively remind members to declare any conflicts of interest at the SC meeting held in March this year. We will review the declaration system on a regular basis.

9. To conclude, we have always strived to manage the ASDF in a prudent manner, so as to ensure resources are put into proper use and the NSAs and other organisations concerned are given the best possible support. We would like to take the opportunity to thank the Audit Commission once again. The recommendations have allowed us to review the operations of ASDF in detail and are very constructive to our work in promoting sports development.

Now, my colleagues and I will be happy to respond to Members' questions and comments.

Thank you, Mr. Chairman.