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## Hong Kong, China Rowing Association

### SUBMISSION TO THE PANEL ON HOME AFFAIRS

### A NEW ADMINISTRATIVE STRUCTURE FOR SPORTS DEVELOPMENT

#### INTRODUCTION

1. The Hong Kong, China Rowing Association objects to the new administrative structure for sport proposed by the Home Affairs Bureau (HAB) and requests the implementation of a further review of the subject with particular reference to the institutional arrangements for development and administration of sport in countries of comparable size to Hong Kong which have achieved high levels of public participation in sport and above average results in international competition.

Our objection is based on the following:-

#### THE PROPOSAL LACKS CREDIBILITY

2. The HAB lacks the expertise and knowledge to conduct a review of the development and administrative needs of sport. The civil servants involved have no relevant personal or institutional experience. Their knowledge of sport is primarily confined to the situation in Hong Kong, viewed from their perspective within the Government. They have not worked in an advanced sports system and appear not to understand how sport is best developed and administered, neither have they understood the world-wide trend which is for governments to take a hands-off position, delegating responsibility for sports development and administration to dedicated, independent entities, while encouraging sports clubs and associations to take over the responsibility of organising activity.

## LACK OF ANY DISCUSSION OF SUBMISSIONS

3. Since the submission in July 2002 of our detailed comments on the HAB's original proposals, a copy of which is on the Panel on Home Affairs web-site, we have not been contacted by the HAB. It appears that no discussion has taken place on the submission and the arguments or proposals raised therein. The arguments put forward have not been refuted and appear to have been merely ignored in favour of the HAB's original intention.

#### DOUBT CONCERNING VALIDITY OF SUPPORT

- 4. The support for the HAB proposals comes mainly from those who hope for enhanced funding support, but they offered little in the way of comment or alternative proposals. Features of support were:-
  - Orchestrated antipathy towards the Sport Development Board and the hope that there might be more funding under a new system.
  - A feeling that it would be best not to oppose the Government in case such opposition resulted in less favourable treatment in future.
  - A feeling that whatever was said, the Government would simply go ahead and do whatever it wanted and therefore it was a waste of time to object.

# SHOULD SPORT BE RUN BY THE GOVERNMENT, OR BY AN INDEPENDENT BODY?

- 5. The central issue in this debate is whether it is best for a sports system to be run directly by the Government (whether directly or with an advisory body such as the proposed Sports Commission), or by a dedicated organisation set up by the Government, but operating independently of the Government. The proposed Sports Commission is to be a non-executive body chaired by the Secretary of Home Affairs and its advice will be subject to the policy decisions of the HAB and the funding and administration constraints of the HAB and the LCSD.
- 6. An independent body can be permanently staffed by experts conversant with the needs of sport, whereas the Government is staffed by civil servants who are subject to policy decisions of officers who constantly come and go and who lack detailed knowledge of sport. This aspect was dealt with fully in our July 2002 submission to the HAB.
- 7. From our perspective, the best models are those used in many parts of Europe particularly Scandinavia where Government departments are responsible for the provision and maintenance of facilities and programme funding, but the organisation and development of sport is the responsibility of the sports community.
- 8. Furthermore, the HAB proposal runs counter to the HKSAR Government policy of devolving responsibility to independent bodies, for example, the Hospital Authority. What Hong Kong needs is not for the SDB's responsibilities to be reabsorbed into the Government, but for all public sports facilities and development and administrative functions to be transferred to an independent, all powerful, sports body. For reasons which have not been made clear, this arrangement has not been proposed by the HAB, even though it represents the best way forward for elite as well as community sport.
- 9. There is nothing fundamentally wrong with the structure of the SDB. Its most serious deficiency is that it lacks policy control over the use of public sports facilities and the Government is responsible for depriving it of this.

10. The HAB paper has not addressed the alternative of an independent body. Legislators are being presented with only one option.

#### COST SAVINGS

11. We do not believe there will be any cost savings from abolishing the SDB. SDB salary levels were based on Government pay scales so transferring SDB responsibilities to the LCSD will not achieve much in the way of cost savings. The HAB proposal does not quantify any savings, probably because there will be few, if any. By contrast, potentially huge cost savings can be achieved from the \$2.5 billion budget of the LCSD by progressively transferring the administration of sports activity to sports clubs and sports associations.

#### MANAGEMENT OF FACILITIES

- 12. The world-wide trend in the management of sports facilities is for Governments to take an increasingly "hands-off" approach. At the community level, this involves gradually entrusting the management of sports facilities to clubs or sports associations and, at the elite level, entrusting the management of high-performance centres to sports institutes or other similar elite training organizations. This is in direct contrast with the HAB's proposal which appears to suggest that the LCSD is best placed to directly manage both community and high-performance facilities. It is somewhat surprising that, after conducting a broad-based sports policy review, which examined models of sports delivery all over the world, the HAB should choose to adopt a model which is so at odds with international trends. Indeed, to our knowledge, there is no such model being used successfully anywhere in the world.
- 13. Whilst the community in Hong Kong may not yet be in a position to assume the full management of public sports facilities, we suggest that the LCSD begin to take an increasingly hands-off approach to sports management and leadership – leaving this to the sports community. At the same time, if the Hong Kong Sports Institute (HKSI) is to be re-established as the elite training arm for sport, we can see no rationale for any HKSI facility to be placed under the management of the LCSD. The HAB's assumption that the performance measure for all training facilities should be based upon utilization rates is completely false. The measure of a good highperformance centre is based on the quality of training which takes place there, not on the number of users. Indeed, increasing the number of users – especially by opening elite facilities to the general public – runs counter to the need to improve the quality of training, as public users will interfere with the elite programmes. The HKSI should be somewhere special – a place for elite athletes – not somewhere for the general public to "play". We don't let the general public wander around universities disturbing students in their studies and there is no reason to allow them to disturb our elite athletes in training. Having two different sets of managers (facility and highperformance) inside HKSI, reporting through different channels will also inevitably lead to conflict and disagreement.

# THE GOVERNMENT CANNOT MEET THE ADMINISTRATIVE NEEDS OF ELITE SPORT.

- 14. The operation and management of an annual NSA programme, particularly with respect to the overseas elite training and competition components, requires considerable expertise and understanding of international sport. Each sport has its own unique characteristics which in turn require flexibility and a "problem-solving" approach to funding administration, whilst at the same time maintaining the need for public accountability and transparency. Over the years, the SDB has trained a group of sports development staff who are now very familiar with and competent in handling the specialized requirements of a diverse range of sports at international level. By contrast, on the occasions where LCSD staff have become involved in the organisation of overseas or international sports activities for example the teams for National Games and China City Games they have shown a lack of the necessary experience and expertise to handle many of the basic tasks required.
- 15. Similar issues arise in the time required to process funding applications and to respond to changes of plans at international level. International sports activities are closely tied to specific deadlines and competition dates. These dates cannot be delayed or altered due to delays in administration. At the same time, coaches and team managers need to be able to respond at a moment's notice to changes in performance, new competition opportunities, and the direct needs of their athletes. It is not always possible to prepare plans far in advance and it is always the case that plans will need to be altered at short notice at some point in the season. The SDB has adopted a flexible approach to such circumstances and has frequently been able to process new or altered funding applications with as little as two weeks notice. Again, this has been made possible by the sport-specific expertise and knowledge of SDB staff which has allowed them to vet applications correctly but quickly. This contrasts with the leadtime and response speed displayed by Government on similar cases. Applications for time-limited funds for training support in preparation for major events have on occasion been made over six months in advance without a specific response by the required programme starting dates. This, in part, has been due to the need to explain sport-specific details at great length to civil servants who are not trained in international sports or high-performance sports management – or whose only consideration is in managing the "bottom-line" figures. It should not be forgotten that one of the primary reasons for establishing the SDB in the first place was the funding procedures existing under the old Recreation and Culture Branch, which were seen at that time as inefficient and bureaucratic.
- 16. If the Government goes ahead with the HAB proposal we would urge it to retain those experienced SDB staff to operate a specialized funding unit for elite sports programmes. The LCSD experience of running local sports programmes is not a qualification to run international programmes as the requirements are vastly different.

#### MEMBERSHIP OF BOARDS AND COMMITTEES

- 17. Irrespective of whether a Sports Commission is created, or an independent body runs sport, it is absolutely vital that the Commission or Board and committees should comprise people who are genuine experts in the specific areas covered by the terms of reference and not simply be political appointees and people who can be counted on to toe the Government line. The Elite Sports Committee, in particular, should have a majority of people with real elite sports background and should include representation by elite athletes and coaches. Likewise, the Community Sports Committee should have a majority of people with demonstrated ability to develop sport.
- 18. We are aware that the Government is reviewing the processes by which members of the public are appointed to advisory and independent executive bodies. We would like to see more transparency in the whole process with the aim of ensuring that such bodies comprise the best qualified people. As elsewhere (e.g. the UK), vacancies should be advertised and the public invited to register their interest in serving on various bodies, thus broadening the number of available appointees.
- 19. If an independent body is set up it should be chaired by a qualified person with sports experience, not by the Secretary for Home Affairs, who is subject to frequent change and has no specialist sports knowledge. However, if the proposed Sports Commission is set up to advise the Secretary for Home Affairs, it is essential that he or she chairs the Commission and thus has the opportunity to listen to the debates within the Commission.

#### **EXECUTIVE LEADERSHIP**

- 20. Sport needs executive leadership especially for high-performance sport, but also in dealing with community sport. The HAB proposal seems to imply that it is simply a question of deciding policy and then having staff implement it. That is not enough. It is not made clear who will make the immediate day-to-day decisions concerning the multitude of issues which arise. We do not think this can be done by civil servants whose decision making authority tends to be constrained by bureacratic procedures.
- 21. The chief executive of 'Sport Hong Kong' needs vision, leadership and detailed knowledge and experience of sport and its development requirements. The position is not an administrative function.

#### THE HONG KONG SPORTS INSTITUTE - CORPORATISATION

- 22. The Government has proposed corporatising the HKSI following the dissolution of the SDB. It has commented, in support of this proposal, that the corporatised Institute will be able to attract sponsorship to improve its funding position.
- 23. We disagree with this approach. It is important for Government to show its ongoing strong commitment to the Institute, and through it, to elite sport. This will be undermined if the Institute is corporatised and expected to stand alone financially with the support of private sponsorship. There is no evidence that the Institute will be more successful that the SDB has been in attracting sponsorship. A corporatised Institute will not allow for the growth of elite sport. We strongly feel that the Government needs to clearly demonstrate its commitment to top level sport in Hong Kong by reconstituting the Institute as a statutory body, as it was prior to the formation of the SDB, and not by hiving it off in a corporate structure.
- 24. Sponsorship by commercial organisations is an unreliable source of funding and unsuitable as a means of financing long term training programmes. Sponsorship should be sought, however long term training programmes need assured long term funding, which sponsorship cannot guarantee. As a statutory body, the Institute should continue to have full government financial support for the development of world class elite athletes.

#### **CONCLUSION**

25. We believe that the HAB proposal is not in the community's interest and that it will set back the development of sport. It appears to be an exercise in retaking control on the part of the HAB and LCSD and it ignores the demonstrably effective sports structures and policies existing elsewhere. It seems to be a backwards step and a lost opportunity for Hong Kong.

#### RECOMMENDATIONS

- 26. We invite the Panel on Home Affairs to take into account the above comments when considering the HAB proposal.
- 27. If the best result is to be achieved for Hong Kong sport, we recommend that an independent consultancy study by credible overseas experts be commissioned, targeted with advising on the most effective organisational structure, funding sources and policies for developing and administering sport, with the twin objectives of maximising community participation and achieving success in international competition.

28th July, 2003