

(a) Arts Portion of the Arts and Sport Development Fund

The arts portion of the Arts and Sport Development Fund (ASDF) is used solely for supporting arts development projects initiated by the Hong Kong Arts Development Council (HKADC) itself or the arts sector. Out of the 1147 projects approved between January 1997 and 31 December 2006, only 39 projects were initiated and managed by HKADC itself and involved administrative staffing resources of the Council.

The breakdown of expenditure of the arts portion of ASDF into HKADC administrative staff cost and funds directly channeled to the arts groups and organisations or individual artists during the subject period is as follows –

Approved Projects as at 31 December 2006

		(a)	(b)	(c)
Project Type	Number of Projects	Amount Allocated to Arts Groups/ Organisations or Artists	HKADC Administrative Staff Cost Involved	% (b/a x 100%)
Self-managed by HKADC	39	39,576,325	764,932	1.93%
Commissioned/ Project Grants to arts groups, arts organisations or individual artists	1,104	183,179,985	-	0.00%
Withdrawn projects	4	4,412,200	-	0.00%
Total	1,147	227,168,510	764,932	0.34%

Sports Portion of the Arts and Sport Development Fund

The main purpose of the sports portion of ASDF is not for the payment of remuneration to athletes or administrative staff. The expenses associated with the administration and implementation of the sports projects are all absorbed by the relevant organisations within their existing resources.

Up to end 2006, the sports portion of ASDF has supported 108 sports projects of which 84 are for the Hong Kong Sports Institute (HKSI) to prepare for major games/competitions, for the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) to lead the Hong Kong Delegation to participate in major games, and for the National Sports Associations (NSAs) to prepare for and participate in major games/competition, or to host major international sports events. The breakdown of allocation by organisation under the sports portion of ASDF is as follows -

Approved Projects as at 31 December 2006

Organisations	Number of Projects	Amount Allocated
HKSI	7	49,148,907
SF&OC	7	18,720,931
NSAs	70	77,282,814
Hong Kong Sports Development Board (HKSDB)*	16	32,172,700
Government	8	15,884,855
Total	108	193,210,207

* HKSDB was dissolved on 1 October 2004. Funding applications for these HKSDB projects were approved before 2001.

- (b) The Leisure and Cultural Services Department (LCSD) is the government department charged with the responsibility for promoting arts and sports activities. On the arts front, apart from LCSD, HKADC is the only statutory body charged with the responsibility to plan, promote and support the broad development of the arts. On the sports front, the NSAs are the agencies that support the sport promotion work of LCSD.

Appended below are breakdowns of the respective budgets of LCSD, HKADC and the NSAs (subvention) by administrative costs (mainly salaries) and non-administrative costs in 2006-07 -

LCSD (the approved estimate for 2006/07 is \$5,027.1million) - Note	Percentage of the Total Budget for -	
	Sports and Recreation (\$2,263.9 million)	Arts and Culture (\$2,229.8 million)
Administrative cost (mainly salaries)	36.1%	31.9%
Other charges (mainly venue operating costs, programmes costs & subventions provided to arts groups and sports organisations)	63.9%	68.1%
	100%	100%

Note: The total budget for LCSD includes \$533.4 million for the expenditure on horticulture and amenities.

HKADC (2006/07 budget is \$100.7 million)	Percentage of Total Budget
Administrative cost	17%
Arts funding provided to arts group and artists	72%
Arts development projects	11%
	100%

NSAs (subvention by Government in 2006/07 is \$124 million)	Percentage of Total Subvention
Administrative cost	28.7%
Sports funding	71.3%
	100%