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9 April 2015

(Fax: 2509 9055)

Ms Alice LEUNG
Clerk to the Panel on Home Affairs
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Leung,

**Panel on Home Affairs of the Legislative Council
Follow up to Meeting on 9 January 2015**

At the meeting of the Panel on Home Affairs of the Legislative Council on 9 January 2015, Dr Hon CHIANG Lai-wan and Dr Hon Kenneth CHAN Ka-lok requested the Administration to provide information on the goals and targets of the recommendations of Project Phoenix, and the full review report on Project Phoenix. These documents, in Chinese and English, are attached at **Annex I and Annex II respectively** for reference.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Petty Lai'.

(Miss Petty LAI)
for Secretary for Home Affairs

Encl

Project Phoenix
Review on the Progress of Individual Recommendations

	Recommendation	Status	Progress made / Comments
<i>Part I – Governance Structure and Constitution</i>			
1.	<p>HKFA Structure [short-term goal]</p> <p>That the HKFA extends its sphere of influence and in future has an overview of all football activity in Hong Kong. There should be one Hong Kong Football Association covering boys', men's, girls' and women's football at amateur and professional level as well as Futsal and mini football.</p>	Completed	<ul style="list-style-type: none"> ● The HKFA has extended its sphere of influence with the provision of more programmes in all areas, including boys', men's, girls' and women's football as well as Futsal. ● The responsibility for the development of girls' and women's football has been transferred from the Ladies Football Association to the HKFA.
2.	<p>HKFA Responsibility and Remit [short-term goal]</p> <p>The HKFA should have four main areas of priority (three external to the organisation and one internal) and should align all people and resources to the simultaneous development and systematic improvement of these linked pillars of excellence, i.e. –</p> <ol style="list-style-type: none"> 1. Representative Teams and Elite Footballers; 2. The Professional Clubs and League; 3. All Grass Roots Football Development, Amateur Leagues and Pathways at all levels; and 4. Becoming a World Class Organisation by operating economically, effectively and efficiently and by seeking to uphold the highest professional standards 	Completed	<ul style="list-style-type: none"> ● The HKFA has adopted a logical organisational structure that enables the workforce to align with the areas specified in the recommendation. Specifically – <ol style="list-style-type: none"> 1. Representative teams and elite footballers - the HKFA has allocated additional resources to facilitate the development of the representative teams through, for example, the appointment of the Head Coach and Representative Teams Administrative Manager, and additional full-time Assistant Coaches. 2. Professional clubs and league - the HKFA will launch the Hong Kong Premier League in the 2014-15 season. Dedicated staff, such as the Special Projects Manager, has been engaged to oversee and lead the development of the new

	Recommendation	Status	Progress made / Comments
			<p>leagues in Hong Kong.</p> <p>3. Pathways at all levels - the HKFA has appointed a new technical staff, such as the Grassroots Football Manager and Futsal Manager, to take forward the development of grassroots football and amateur leagues to create a continuous pathway at all levels. The efforts will be overseen by a newly-created Head of Football Development.</p> <p>4. Becoming an economical, effective and efficient world-class organisation - the HKFA has undertaken new initiatives and implemented new policies and systems, particularly in the areas of finance and human resources initiatives to improve its governance, financial discipline and operational efficiency (see Recommendations 11-17 below).</p>
3.	<p>HKFA Constitution [short-term goal]</p> <p>That the HKFA prepares, approves and implements a new set of constitutional documents (Memorandum and Articles, Rules) that are fully compliant with Asian Football Confederation (AFC) and FIFA statutes and include for the separation of Executive, Legislative and Judiciary functions.</p>	Good Progress	<ul style="list-style-type: none"> ● The HKFA has adopted a new set of Articles. The other constitutional documents are under review to bring them in line with AFC and FIFA statutes and other relevant requirements. The HKFA aims to complete this work by Q2 2015.
4.	<p>HKFA Board [short-term goal]</p> <p>That the HKFA approves and adopts a new Board Structure. This should include the following provisions:</p> <ol style="list-style-type: none"> 1. A number of non-voting Honorary Board Positions including a Life President and Life Vice Presidents 2. An Independent Chairman 	Partially completed	<ul style="list-style-type: none"> ● The proposed board structure has been adopted with certain modifications, e.g. the Chief Executive (CEO) is not a voting member in order to avoid possible conflict of interest on the part of the CEO in the process of decision making by the Board. There are three independent Non-Executive Directors instead of four. An additional independent Non-Executive Director will be elected in 2015.

	Recommendation	Status	Progress made / Comments
	3. 3 × voting Executive Directors Representing Football Clubs 4. 4 × voting Independent Non-Executive Directors (not directly linked to Football Clubs) 5. One Director to be the nominated “Treasurer” 6. The Chief Executive as a full voting Ex-Officio Member 7. The ability for the Board to appoint a number of Special Advisers 8. 4 year term for Chairman and Board Members (excluding the CEO which is a permanent position) 9. A maximum of two terms before retirement from the Board for non-Football Directors, 3 terms for Football Directors 10. Three standing committees and a number of Technical sub-committees		<ul style="list-style-type: none"> ● The committees (as well as other committees) have been established as recommended, with external experts drafted in to give advice. ● The three independent Directors chair the Legal, Referee and Organisational and Development Committees. When elected, the HKFA would give a specific role to the fourth independent Director. ● The FTF has suggested that the HKFA further strengthen its board structure by increasing the number of directors (including independent directors). As noted above, the HKFA will appoint an additional independent director following the elections in 2015.
5.	HKFA Membership [short-term goal] That the current HKFA Membership is replaced on a phased basis by a new HKFA “Assembly” with a broader representation which includes Clubs (Professional and Amateur), Districts and a wide range of other “affiliated” stakeholders conditional on an application process and clear demonstration of compliance against defined criteria.	Some progress	<ul style="list-style-type: none"> ● The HKFA has established an internal working party to work out the details of the new membership system, which has met several times and presented progress reports to the HKFA Board. The HKFA Board has approved in-principle the widening of the membership. The HKFA has set a target of 80 members by mid-2015 (there are currently 53 members).
6.	Relationship with Executive [short-term goal] That subject to the successful implementation of a new organisational structure (see Recommendation 11 below), the Board agrees a “Schedule of Delegation” that conveys powers on the Executive to deliver the Board’s approved Strategy and Business Plan.	Completed	<ul style="list-style-type: none"> ● The HKFA has set up a new organisational structure with the appointment of key personnel completed. ● Delegation of authority is being practised with appropriate powers resting with the CEO.

Part 2 – Vision, Strategy and Business Planning

	Recommendation	Status	Progress made / Comments
7.	<p>Vision [short-term goal]</p> <p>That the HKFA agrees this new Vision Statement and communicates it effectively internally and extensively externally.</p>	Largely completed	<ul style="list-style-type: none"> ● The Vision has been approved by the HKFA Board. ● The new Five-year Strategic Plan, for 2015 to 2020, is being revised following feedback from major stakeholders such as FIFA and the AFC. The HKFA will conduct a formal communication exercise on the final version in Q3 of 2014.
8.	<p>Strategic and Business Planning [mid-term goal]</p> <p>That each Department/Function of the HKFA prepares an annual business and financial plan which reflects the priorities of the Board as set out in the vision and strategy. Plans should set out the resources required to deliver a specific set of measurable outcomes.</p>	Completed	<ul style="list-style-type: none"> ● An annual plan is prepared by each department during the annual budgeting exercise for resource planning with a view to achieving each department's respective deliverables.
9.	<p>Day to Day Decision Making [mid-term goal]</p> <p>That the HKFA Secretariat should be strengthened and that a defined Schedule of Delegation should be approved giving authorisation for day to day decisions within a policy and strategy framework as determined by the Board.</p>	Completed	<ul style="list-style-type: none"> ● Delegation of authority is being practised in the HKFA. A number of new "support services" personnel have been appointed to strengthen the Secretariat, including a Head of Corporate Governance.
10.	<p>Leadership and Direction [short-term goal]</p> <p>That the HKFA appoints an experienced Chief Executive as a full voting Board Member.</p>	Mostly completed	<ul style="list-style-type: none"> ● The HKFA has appointed a CEO, although the CEO is not a voting member of the Board (see also Recommendation 4 above).
Part 3 – Organisational Issues			
11.	<p>Organisational Structure [short-term goal]</p> <p>That the HKFA approves and systematically implements a new organisational structure which is commensurate with and aligned to the new governance structure, remit and strategy of the HKFA as set out in Develop – Deliver. The new organisational structure should be based on:</p>	Completed	<ul style="list-style-type: none"> ● The new organisational structure has been implemented and appointment of key personnel has been completed – <ol style="list-style-type: none"> 1. The Chief Executive, the Financial Controller and a new Hong Kong Team Coach have been appointed;

	Recommendation	Status	Progress made / Comments
	<ol style="list-style-type: none"> 1. The appointment of a high level and suitably experienced Chief Executive 2. The establishment of four Directorates, 1) Technical, 2) Commercial, 3) Internal Finance and Administration, and 4) Football Administration 3. That appointments are made for the Directors of each Directorate as soon as the strategy is approved and funding is in place 4. A strong Technical Directorate responsible for delivering football development at all levels through the work of specialist Development Managers (Elite, Coaching, Refereeing, Youth and Grassroots, Women's, Futsal/Mini-Football) and eighteen Community Development Officers working at a District level 5. The appointment of other key support personnel required to deliver the strategy 6. The ability to appoint specialist external advisers for specific projects and roles 7. The appointment of a new Hong Kong Team Manager/Coach on a fixed term contact with clear targets 8. The immediate appointment of a Financial Controller 		<ol style="list-style-type: none"> 2. A Technical Directorate has been established with heads of Grassroots Football Manager, Women's Football Manager, Futsal Manager and Coach Education Manager; and 3. Heads of Commercial and Internal Finance and Administration, Marketing and Communications and Corporate Governance for Internal Finance and Administration have been appointed. <ul style="list-style-type: none"> ● The HKFA has also appointed key support personnel as well as specialist external advisers for projects, such as the development of the Football Training Centre using the fund allocated for Project Phoenix.
12.	<p>Financial Management [short-term goal]</p> <p>That the HKFA immediately addresses its weakness in financial management and control as part of the fourth pillar of excellence. This will include –</p> <ol style="list-style-type: none"> 1. The immediate appointment of a Financial Controller 2. The establishment of a new Directorate of Finance and Administration 3. The introduction of effective systems (hardware and 	Completed	<ul style="list-style-type: none"> ● The HKFA has significantly improved its financial management, effectiveness and efficiency. It has adopted more stringent financial practice and developed a financial procedural manual (with external advice from KPMG) which is being continually enriched. Relevant systems and procedures have also been developed. ● The Financial Controller has been appointed under the Head of Corporate Governance.

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	software) and procedures (modus operandi), including the development of a detailed procedure manual with clear rules for modification and approval. The document should cover all activity of the HKFA and shall be strictly enforced to ensure the maintenance of good business practices		
13.	Human Resource Management (General) [mid-term goal] That the HKFA become an employer of choice and adopts the highest standards of management of its human resources. This should include the appointment of a HR Manager within the Directorate of Finance and Administration who will be responsible for the recruitment, training, development, retention and discipline of staff.	Completed	<ul style="list-style-type: none"> ● An HR Manager has been appointed. ● HR initiatives including salary benchmarking, staff manual and appraisal system are being implemented.
14.	Team Briefing [long-term goal] That regular dialogue takes place between all levels of the HKFA and that information is cascaded down effectively from the Board to the Senior Management Team and all staff through regular communication both formal and informal.	Completed	<ul style="list-style-type: none"> ● Weekly management team and staff meetings have been established, and team briefings are held on a weekly basis.
15.	Continuous Professional Development [long-term goal] That all employees of the HKFA (current and future) are given job descriptions that reflect their role and prevailing priorities and that they are subject to a regular appraisal process that identifies training needs. Developing the human capital should be a key priority of the new HKFA based on merit and with the highest degree of integrity.	Completed	<ul style="list-style-type: none"> ● Job descriptions for the posts under Project Phoenix have been devised and properly documented. ● Regular staff appraisals are conducted and training needs are regularly gauged.
16.	Staff Remuneration [mid-term goal] That staff wages, salaries and benefits of the staff employed at the HKFA be reviewed and benchmarked against other similar sized National Sports Associations with a view to ensuring the ability to recruit and retain high calibre employees.	Completed	<ul style="list-style-type: none"> ● A salary review mechanism is in place to ensure that the wages and benefits are benchmarked against other similar-sized “national sports associations”.

	Recommendation	Status	Progress made / Comments
17.	<p>Systems and Resources [mid-term goal]</p> <p>That all systems, procedures and working practices are reviewed by the four Directorates and new protocols be developed based on the Schedule of Delegation (Recommendation 6) that reflect the priorities of the new vision and strategy. That additional hardware and software be purchased to streamline working practices and ensure that the HKFA is modernised technologically.</p>	Completed	<ul style="list-style-type: none"> ● The respective systems, procedures and working practice for internal governance, competitions, technical development and other core functions have been developed and are regularly reviewed by the HKFA. ● FIFA has given the HKFA a one-off grant of US\$100,000 to introduce a new integrated management system, which is being developed.
18.	<p>Public Relations [short-term goal]</p> <p>That a new Marketing and Communications strategy is developed under the auspices of the new Commercial Director and that greater emphasis is placed on developing excellent working relationships with all stakeholders and especially the media.</p>	Partially implemented	<ul style="list-style-type: none"> ● Key personnel have been appointed and working relationships with stakeholders established. The marketing and communications teams have been restructured as advised by the FTF to help ensure more focus on each of the areas of marketing and PR. ● The HKFA has prepared a marketing strategy for the new Hong Kong Premier League (HKPL). Sponsorship sales have increased and a title sponsor has been secured for the HKPL. An external marketing partner has been appointed to help the HKFA obtain further commercial revenue. ● The HKFA should continue to step up its efforts in marketing and PR, with specific and quantifiable targets and indicators.
19.	<p>Working Environment [long-term goal]</p> <p>That the existing HKFA Headquarters be refurbished and re-organised to create a better working environment that reflects the new organisational structure and that if the National Football Training Centre comes to fruition, consideration be given to relocating all or some (Technical Directorate) to that site.</p>	Completed	<ul style="list-style-type: none"> ● The new office provision for the HKFA, as sponsored by FIFA, was officially inaugurated on 24 April 2014. ● It is the HKFA's intention to relocate the Technical Directorate to the Football Training Centre in the future.

Part 4 – Raising the Standard of Football

	Recommendation	Status	Progress made / Comments
20.	<p>Budget for Develop – Deliver [short-term goal]</p> <p>That the HKFA agree in principle the budget included in Develop – Deliver as a blueprint for the transformation of the HKFA and the enhancement of football in Hong Kong.</p> <p>That discussion is entered into with funding partners to secure the additional funding required.</p> <p>That the award of additional funding be directly linked to the delivery of specific outputs and outcomes.</p> <p>That funding levels and targets are reviewed annually in an annual financial plan prepared by the CEO and endorsed by the Board and that this is used as the basis for future discussions with funding partners.</p>	Completed	<ul style="list-style-type: none"> ● Budgets are prepared and approved annually with different scenarios considered. ● As advised by the FTF, any additional public funding that may be provided to help the HKFA implement the Five-year Strategic Plan would be linked to specific targets and indicators.
21.	<p>Hong Kong and Representative Teams [short-term goal]</p> <p>That additional resources be invested in the training and development of Hong Kong and representative teams under the auspices of the new Technical Directorate.</p> <p>That excellent relationships are forged between the Technical Directorate, the Hong Kong Team Manager/Coach and the Professional Clubs so that conflicts are resolved with minimal impact, and that the relationship between “Club and Country” is in accordance with FIFA statutes.</p> <p>That commitment is given to using a National Football Training Centre if provided.</p>	Completed	<ul style="list-style-type: none"> ● The HKFA has provided additional resources for the Teams through, for example, the appointment of the Head Coach and Representative Teams Administrative Manager, and additional full-time Assistant Coaches.
22.	<p>New Professional (Premier) League [short-term goal]</p> <p>That the HKFA approves in principle the development of a new Professional “Premier” League and immediately establishes a Board Committee/Working Party to oversee its implementation. The new League should be based on the following:</p>	Good progress	<ul style="list-style-type: none"> ● With the launching of the Hong Kong Premier League (HKPL) in the 2014/15 season, most of the proposals in the recommendation have been implemented. The HKFA has secured the sponsorship of BOCG Life as the title sponsor of the HKPL. ● A licensing system has been implemented to ensure

	Recommendation	Status	Progress made / Comments
	<ol style="list-style-type: none"> 1. A target start date of the 2012/13 season and that the HKFA establishes a Working Party as a priority 2. The 2011/12 season be seen as a staging post to the new league with changes to the format etc. 3. A target of 12 teams with a minimum of 10. An initial maximum of 14, thereafter reviewed annually 4. There to be no relegation for the first two seasons to allow teams to consolidate. Promotion to be encouraged 5. That the inaugural league be based on an application/license basis with entry criteria linked to the AFC requirements 6. That 2011/12 teams be given “first refusal” subject to meeting the entry criteria 7. Home venues guaranteed through a partnership with Districts 8. A format that promotes excitement and a better product including more matches 9. A minimum number of paid professional players (16 with a maximum of 3 + 1 foreign players on the pitch and in the squad) and a minimum wage 10. The establishment of a Professional Footballers Association to look after the welfare of footballers 11. A commitment to use the proposed National Football Training Centre as a training base and centre of excellence (unless suitable alternative facilities are available) 12. Finding a major league sponsor and ultimately securing broadcasting rights 13. Consideration given to allowing gambling on domestic football subject to strict rules being applied 14. That the League be established under the auspices of the HKFA with a target for the League to become an independent 		<p>transparency and robustness of the governance of the clubs, as well as to foster youth development. The licence requirements will also be gradually aligned with those of the AFC.</p> <ul style="list-style-type: none"> ● The HKFA aims to establish the HKPL as an independent legal entity in due course. The establishment of a Professional Footballers Association is still in progress.

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	<p>legal entity by 2014/15</p> <p>15. That the new League has a separate P and L within the HKFA financial plan</p>		
23.	<p>Structure of Football in Hong Kong [short-term goal]</p> <p>The HKFA Change Agent recommends that consideration be given to a fundamental review of the Structure of Football Development in Hong Kong. In conjunction with the development of a new Professional League, a plan should be formulated for a phased introduction of the following:</p> <ol style="list-style-type: none"> 1. When the new Hong Kong Premier League is established i.e. 2012/13, the current Divisions 2, 3a and 3b should be replaced by new Divisions 1 and 2. These would have no age restrictions and would initially receive “seed” funding from the HKFA to ensure sustainability. The Premier League and Divisions 1 and 2 would collectively form the Hong Kong Football League. Although initially there would be no relegation from the Premier League, ultimately there should be free movement between the Divisions. The Rules for each Division should be enshrined and implemented consistently. Changes would require the approval of the Full FA Membership. The HKFA will organise and administer the HK Football League. 2. Each Premier League team will need to meet AFC criteria and should operate age group youth Academies between under 13 and 18 years of age. There should be an Academy League for each age group. Youth Academies at Premier League Clubs should replace the “Reserve” League. 3. The Cup Competitions should be reviewed. For example The Premier Shield which would be exclusively for the Premier League Clubs. The HK League Cup open to all Divisions of the Football League. The HK FA Cup open to 	Good progress	<ul style="list-style-type: none"> ● Changes to the football development activities and programmes are being implemented incrementally. ● Each HKPL Club is required to establish and maintain Youth Academies which will join the Academy League accordingly for each age group (which would replace the “Reserve” League). All of the HKPL Clubs have youth development programmes and enter teams in the HKFA Youth Leagues. Some clubs do this in partnership with District Councils. ● The HKFA is changing the format of the youth league in the 2014/15 season to help to ensure competitive matches and allow better players to improve more quickly. ● The Cup compositions have been reviewed. The Senior Shield is retained as a Premier League-only competition. The FA Cup now includes a preliminary round that involves teams from lower divisions. A new League Cup will be introduced in the 2014/15 season with the winner entering the end of season play-offs, the winner of which gets through to the AFC Cup. ● District-based youth teams at all age group levels take part in the HKFA age group leagues. ● Plans for a club and commercial football accreditation and affiliation scheme are targeted to be in place in time for the 2015/16 season.

	Recommendation	Status	Progress made / Comments
	<p>all teams affiliated to the HKFA (see below) (Premier League teams joining in later rounds).</p> <p>4. Other Leagues e.g. Yau Yee League should be encouraged to “affiliate” to the HKFA and become part of the Football “fraternity”. Affiliated Clubs can apply for accredited status (subject to meeting minimum criteria). This “licence” will entitle them to benefits such as access to coaching support and advice. Eventually there should be promotion from these amateur leagues into the 2nd Division of the HK Football League.</p> <p>5. District Councils should channel their funding into Youth Development rather than teams in the current Divisions 1, 2 3a and 3b. Each District should have annual age group squads from under 9 to under 18 and there should be District Leagues at all age groups. Squads should be circa 16 boys and they would be subject to an annual selection and evaluation process. This would not prevent Districts from also continuing to support teams in the new Divisions (Premier, 1 and 2).</p> <p>6. The HKFA should establish a system of registration and accreditation for commercial soccer schools.</p>		
24.	<p>Football Development [short-term goal]</p> <p>That the Football Development Plan prepared as part of Develop – Deliver be adopted by the HKFA and implemented by the new Technical Directorate.</p> <p>That the Football Development Fund be significantly increased to direct additional resources into representative teams, District youth teams, grass roots football development programme, coach education, officials development.</p> <p>That a Referees “supremo” be appointed on a short-term consultancy basis to establish a curriculum and referees</p>	Good progress	<ul style="list-style-type: none"> ● The Football Development Plans have been reviewed by the Technical Department. More participants (both boys and girls) are now playing football under HKFA auspices. ● The Hong Kong U16 team has qualified for the AFC Finals for the first time ever. ● The HKFA has recruited a Coach Education Manager to supervise improved and more standardised coaching practices throughout the grassroots development programmes.

	Recommendation	Status	Progress made / Comments
	<p>development plan and thereafter a nominated officials officer within the Technical Directorate assumes responsibility for the recruitment, retention and training of officials.</p> <p>That greater emphasis and resources be put into football development at all levels (elite to grass roots) and covering all participants in football including boys, men, girls, women as well as Futsal and mini football players.</p> <p>That a “Performance Management” approach should be taken to football development in Hong Kong with annual targets and regular reviews.</p>		<ul style="list-style-type: none"> ● Additional programmes are being implemented using additional funding allocated by LCSD. ● A full-time Referees Manager has been appointed to help recruit more referees, train them better and formally evaluate their performance.
25.	<p>Eligibility for Representative Teams [mid-term goal]</p> <p>That the HKFA investigates immigration policy in relation to dual nationality provisions and reviews the policy of eligibility for representative teams / squads.</p>	Completed	<ul style="list-style-type: none"> ● The HKFA has conducted a review of eligibility of players working in Hong Kong and concluded that eligibility for representative teams’ players is generally clear and being observed.
26.	<p>National Football Training Centre [short-term goal]</p> <p>That the HKFA confirms its commitment to be a main partner in the development and future use of a National Centre for football and recognises that the National Centre for football is fundamental to the future success of football in Hong Kong. Dedicated access to purpose-built football facilities is critical.</p>	Some progress	<ul style="list-style-type: none"> ● The HKFA has prepared a revised plan for the Training Centre in anticipation of the launching of the Restored Landfill Revitalisation Funding Scheme. A consultant has been engaged to prepare the proposal.
27.	<p>New National Stadium [long-term goal]</p> <p>That the HKFA confirms its commitment to the provision of a new National Stadium and provides appropriate support to the development.</p>	Some progress	<ul style="list-style-type: none"> ● The HKFA has provided comments and feedback to the Government on the development of the Multi-Purpose Sports Complex in Kai Tak.
28.	<p>Community Facilities [short-term goal]</p> <p>That the HKFA recognises the current under-supply of good quality accessible facilities for football in Hong Kong and commits to working with partners and especially the Government</p>	Good progress	<ul style="list-style-type: none"> ● The HKFA maintains close liaison and coordination with the Government on venue allocation. ● Home venues have been allocated to each team in the HKPL.

	Recommendation	Status	Progress made / Comments
	<p>(Central and District) on the development of enhanced facilities for football. In particular it agrees to work in partnership with HAB, LCSD and District Councils to facilitate the establishment of a new Professional League involving the allocation of ‘home’ venues.</p> <p>That the HKFA requests that the Government consider the development of a hierarchy of use of facilities with guaranteed use for certain categories of Football and agreed quotas on levels of use.</p>		<ul style="list-style-type: none"> ● Detailed proposals for facility development are included in the Five-year Strategic Plan. ● The development of facilities is subject to the Public Works Programme of the Government, which also takes into account other public development needs.
29.	<p>Player Status and Welfare [short-term goal]</p> <p>That the HKFA gradually but systematically raises the status of professional players through the establishment of a new Professional League which has as part of its criteria for entry a requirement for Clubs to put in place education programmes at its Academies and also for senior players.</p> <p>That as part of the new Professional League a minimum wage is agreed which is reviewed regularly.</p> <p>That as part of the new Professional League a Professional Footballers’ Association is established as part of the HKFA which will eventually be an independent body with a remit to look after the welfare and training of existing and former players.</p>	Good progress	<ul style="list-style-type: none"> ● The new HKPL will commence in 2014/15 and is based on a licence system, fundamental to which are player welfare issues such as player contracts, medical insurance and integrity training. ● The HKFA has met the International Federation of Professional Footballers and discussed with the AFC establishing a Professional Footballers’ Association.
30.	<p>China League [long-term goal]</p> <p>That consideration of a Hong Kong based team playing in the Chinese Football leagues be deferred for the foreseeable future and that only when the time is right, the HKFA should open dialogue with the AFC and with FIFA about the participation of a “Hong Kong United” team in the China League subject to that team not detracting from the new Professional League or compromising the success of the Hong Kong and representative teams.</p>	Some progress	<ul style="list-style-type: none"> ● The HKFA has regular dialogue with its counterparts in Mainland China and the AFC on this issue.

	Recommendation	Status	Progress made / Comments
31.	<p>Partnership Working [short-term goal]</p> <p>That the HKFA recognises that to bring about the transformation of the sport of football as articulated in Develop – Deliver it is essential to work in partnership with a range of stakeholders. This will be facilitated by:</p> <ol style="list-style-type: none"> 1. Wider representation on the new HKFA Assembly 2. Additional independent Board Members 3. Representing the sport as a whole and developing a football “family” through the affiliation of all teams and players 4. Working together with other partners and stakeholder on joint football development initiatives 5. Delivering agreed outputs and outcomes linked to funding agreements 6. The organisation of an annual football forum/conference 7. Better marketing, communications and PR 	Some progress	<ul style="list-style-type: none"> ● The HKFA is working on the structure of the new “HKFA Assembly”. ● FTF Members have advised that the HKFA seek to improve its relationship with the clubs and seek more partnership with sponsors. ● The HKFA appointed three independent Non-Executive Directors in 2011. On the advice of the FTF, the HKFA will appoint an additional independent Director in 2015 to strengthen governance. ● Any public funding that may be provided to help implement the Five-year Strategic Plan would have to be linked to specific, quantifiable indicators and formalised in a funding agreement.
32.	<p>Targets and Measures of Success [mid-term goal]</p> <p>That the HKFA adopt the target outputs and outcomes articulated in Develop – Deliver as the starting point for measuring the success of the transformation of the HKFA and the raised standards of football development in Hong Kong.</p> <p>That these targets be monitored, reported and reviewed annually as part of the organisations Business Planning cycle.</p>	Completed	<ul style="list-style-type: none"> ● The HKFA has adopted the target outputs and outcomes in Develop – Deliver. ● The progress of implementing Develop-Deliver is regularly reviewed by the FTF. The FTF and HAB also keep the progress of Project Phoenix under review, and the HKFA is required to submit an annual proposal on the use of funding for review by the FTF. The HKFA is also required to submit quarterly reports to HAB on the progress of Project Phoenix. ● Some recommendations are still in progress at this stage. By their nature, some of these are on-going, e.g. improved communication with stakeholders. The revitalisation of football in Hong Kong is a long-term exercise and, as pointed out by FTF members, some of

	Recommendation	Status	Progress made / Comments
			the recommendations cannot realistically be fully implemented within 3 years.
33.	<p>The Way Forward [short-term goal]</p> <p>That the HKFA approves the recommendations in Develop – Deliver and the Implementation Plan.</p> <p>That the HKFA consults with all stakeholders on this strategy and enters into constructive dialogue with funding partners and specifically the Government on changes to current policy.</p> <p>That the HKFA regularly reviews progress against the action Plan.</p>	Completed	<ul style="list-style-type: none"> ● The recommendations in Develop – Deliver and the implementation plan were endorsed by the HKFA and have largely been implemented. ● The progress of Project Phoenix is under regular review by the FTF.

Home Affairs Bureau
August 2014

Review of Project Phoenix

PURPOSE

This paper outlines the background to “Project Phoenix” and reviews the extent to which the project has achieved its objectives to date.

BACKGROUND

2. On 4 June 2008, the Legislative Council passed a motion on “Promoting the development of local football”, which among other things urged the Government to promote the development of football in Hong Kong. One of the measures proposed was to conduct a detailed study of the development of local football, with a view to formulating a development plan with short- and long-term goals.

3. In June 2009, the Home Affairs Bureau (HAB) commissioned a consultant to review the status of football in Hong Kong and recommend viable options for the development of the sport locally. Public sentiment in support of football development was boosted by Hong Kong’s gold medal in football at the East Asian Games in December 2009. In line with the consultant’s recommendations, in October 2010 the Hong Kong Football Association (HKFA) appointed a “change agent” to formulate a football development strategy to help the HKFA in the areas of governance structure, development strategy and business planning. The executive summary of the change agent’s report, entitled “Project Phoenix” is at the **Appendix 1**. In October 2011, the Sports Commission endorsed a proposal to earmark \$20 million annually over a period of three years from 2011-12 onwards for allocation to the HKFA to implement the recommendations in the Project Phoenix report. The HKFA provided a progress report at **Appendix 2**.

ACHIEVEMENTS UNDER PROJECT PHOENIX

4. Since 2011, in line with the recommendations in the Project Phoenix report the HKFA has worked to improve the management of football in Hong Kong in areas such as internal governance, youth development, the development of women’s football, and the management and training of the Hong Kong representative teams. There have been clear improvements in most areas, as outlined in the following paragraphs.

Governance and organisational development

5. The HKFA has implemented most of the recommendations in the Project Phoenix report that relate to the areas of: Governance Structure and Constitution; Vision, Strategy and Business Planning; and Organisational Issues. Many of the recommendations in the Project Phoenix report focussed on the need for the HKFA to improve the basic levels of governance, financial discipline, organisational structure and technical capacity, in order to create a firm administrative foundation for taking forward the further development of football in Hong Kong. In this regard, the HKFA has clarified its sphere of influence, identified key priorities, approved a new constitution and changed its board structure, broadly in line with the recommendations in the Project Phoenix report. It has also significantly strengthened its executive functions, re-organised its departmental structure and improved its administrative and financial management. The HKFA has also adopted more stringent accounting and financial management practices, such as introducing a Finance Manual, improving arrangements for making annual financial returns and enhancing internal control review mechanisms.

6. The appointment of administrative and technical professionals such as the Chief Executive, Financial Controller and Hong Kong team Coach, as recommended in the Project Phoenix report has given the HKFA the expertise to help take forward the recommended changes, which in turn have allowed the HKFA to make progress in raising the standard of football.

Raising the standard of football

7. The main priority areas for football development identified in the Project Phoenix report are: the representative teams and elite footballers; the professional clubs and league; and grassroots football development, amateur leagues and pathways.

Representative teams

8. Since 2011, the HKFA has put in place a Technical Directorate and engaged a full-time “national” team coach. The performance of the top representative team, the Hong Kong Men’s Team has generally improved, as measured objectively by the level of the world ranking of the team by the international governing body, FIFA. From a lowest ranking of 168, the team achieved a highest ranking of 137 in January 2014. Although as at May 2014 the team had slipped to 158th place, the general trend since 2011 has been towards improved levels of performance, with notable achievements including an away draw in a competitive fixture (Asian Cup qualifying group) in February

2013 with Uzbekistan, which was at the time ranked about 100 places higher than Hong Kong. At the junior representative level, the U16 boys' team qualified for the finals of the AFC U16 Championships for the first time ever.

The professional clubs and league

9. The establishment of a Hong Kong Premier League (HKPL) was one of the key recommendations in the Project Phoenix report. With the setting up of the HKPL, professional clubs wishing to take part in Hong Kong's top-tier league will be required to apply for licences. The conditions of these licences will require the clubs to adopt higher standards of governance and improved levels of administrative and technical organisation. Clubs will also be required to commit to programmes aimed at fostering the development of young local players. The HKFA will establish the HKPL in 2014-15, and has advised that at least 10 clubs have indicated a firm interest in joining the new league, which will be capped at a maximum of 12 teams in the initial years.

10. A further development in this area has been the approval by the Asian Football Confederation (AFC) of applications from two local clubs, South China Athletic Association and Kitchee Sports Club for AFC Champions League Licences, indicating that the two clubs in question have met the Asian confederation's standards for internal governance and sporting achievement.

Football development

11. In terms of wider football development, the HKFA has extended the reach of the youth development programme by increasing the number of age groups, and therefore the number of players in training and competition programmes for boys up to the age of 18. The HKFA has also introduced structured competitive programmes for women's and girls' football, resulting in a 427% and 187% increase in the number of participants in the girl's elite and grassroots programmes respectively.

12. The HKFA has recruited a Coach Education Manager to supervise improved and more standardised coaching practices throughout the grassroots development programmes. It has also engaged a Referees' Manager to oversee improvements to the training of match officials.

AREAS OF CONCERN

13. As briefly outlined above, we consider that the HKFA has made good progress in implementing many of the recommendations of the Project Phoenix report, and there are signs that there have been commensurate improvements in

the management of the sport and in the standards of play. However, there are some recommendations that have yet to be taken forward, and we consider that a number of issues in particular warrant further attention.

Sponsorship and marketing

14. The HKFA has made little headway in improving its marketing to the extent where this translates into significant additional sponsorship income. This in turn has led the association to be heavily reliant on the funding allocation endorsed by the Sports Commission (refer to paragraph 3 above) and on the annual subvention from the Leisure and Cultural Services Department when implementing the recommendations of the Project Phoenix report. To ensure the longer term financial sustainability and self-sufficiency of the HKFA and to put in place a long-term football development strategy that has the support of the community, it is important for the association to work out a marketing strategy that will attract corporate sponsorship and other forms of support rather than continuing to rely primarily on public funding.

Institutional governance

15. Although the HKFA has considerably improved its institutional governance when compared to the period prior to the Project Phoenix report, there is still some concern regarding the strength of the core institutional structure of the association. Three independent directors of the Board have resigned over the past few years and individual board directors have spoken out in public in opposition to HKFA policies. Confidence in the HKFA's governance structure is vital to its ability to maintain community support, grow the spectator base and attract corporate sponsorship. There appears to be a case for the HKFA to strengthen its board structure, for example, by increasing the number of directors - including independent directors - and by giving each director specific responsibilities for which they are accountable. For reference, we note that the Hong Kong Rugby Football Union has 11 directors (compared to 9 for the HKFA), even though rugby is played and supported by far fewer people than football.

WAY FORWARD

16. On balance, we consider that the HKFA has made reasonable progress in implementing the changes recommended in the Project Phoenix report, and consequently has taken positive steps towards the further development of local football. In particular, the HKFA is on a far stronger footing than it was prior to 2011 in terms of its administrative and technical capability to take forward further strategic measures to improve the standards of play at all levels. It is

important that the association continue with efforts to improve its marketing and communications both in relation to its own stakeholders, such as the professional clubs and football spectators, as well as in terms of attracting corporate sponsorship. The HKFA should also review whether its governance structure requires further reinforcement in order to ensure that it is in a good position to implement the outstanding recommendations from the Project Phoenix report and new strategic initiatives for football development.

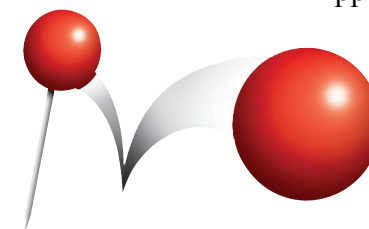
ADVICE SOUGHT

17. The above has set out the findings with regard to the HKFA's implementation of the Project Phoenix report as outlined above.

**Home Affairs Bureau
May 2014**

URS

Scott
Wilson



strategic leisure

Project Phoenix Change Agent Recommendations

‘Develop - Deliver’

An Executive Summary

The Hong Kong Football Association

Executive Summary

Introduction and Context

This document sets out the recommendations of the Change Agent appointed by the Hong Kong Football Association (HKFA). The Football Development Strategy approved by the Government in March 2010 included a vision for football in Hong Kong. At the top of this list was the need for an independent, financially strong and effective National Sports Association. One of the recommendations of the strategy was that the HKFA should appoint a Change Agent to lead the transformation process. The following recommendations set out the changes deemed necessary by the Change Agent to ensure that the HKFA is fit for purpose i.e. to lead the development of football in Hong Kong.

This document has been called **Develop – Deliver**. It is recognised that the HKFA will need to change (develop) before it can reap the rewards of that change (deliver). Viewed simplistically this is a two-stage process. In reality there will be much overlap because different aspects of the organisation will develop quicker than others and will be in a position to deliver positive outcomes within a short space of time. For example the governance structure can be expedited quickly however success on the pitch arising from enhanced development activity will take a little longer. Nevertheless Develop – Deliver illustrates that the organisation needs to change if the fortunes of football in Hong Kong are to flourish once again.

This Executive Summary is by definition short. It should, where possible, be read in conjunction with the main report which provides more detailed insight into the current situation, the need for change, the rationale for the recommendations and the specific actions that will collectively transform the HKFA.

Recommendations

Organisational change requires a confluence of actions that collectively provides a focus and strategy. The following recommendations have been formulated to do just that for the HKFA. They are categorised into four main areas, 1) Governance Structure and Constitution, 2) Vision, Strategy and Business Planning, 3) Organisational Issues, and 4) Raising the Standard of Football.

Part 1 – Governance Structure and Constitution

Recommendation 1 – HKFA Structure

That the HKFA extends its sphere of influence and in future has an overview of all football activity in Hong Kong. There should be one Hong Kong Football Association covering boys', men's', girls' and women's' football at amateur and professional level as well as Futsal and mini football.

Recommendation 2 – HKFA Responsibility and Remit

The HKFA should have four main areas of priority (three external to the organisation and one internal) and should align all people and resources to the simultaneous development and systematic improvement of these linked pillars of excellence i.e.

1. Representative Teams and Elite Footballers,
2. The Professional Clubs and League
3. All Grass Roots Football Development, Amateur Leagues and Pathways at all levels
4. Becoming a World Class Organisation by operating economically, effectively and efficiently and by seeking to uphold the highest professional standards

Recommendation 3 – HKFA Constitution

That the HKFA prepares, approves and implements a new set of constitutional documents (Memorandum and Articles, Rules) that are fully compliant with AFC and FIFA statutes and include for the separation of Executive, Legislative and Judiciary functions.

Recommendation 4 – HKFA Board

That the HKFA approves and adopts a new Board Structure. This should include the following provisions:

1. A number of non-voting Honorary Board Positions including a Life President and Life Vice Presidents
2. An Independent Chairman
3. 3x voting Executive Directors Representing Football Clubs
4. 4x voting Independent Non Executive Directors (not directly linked to Football Clubs)
5. One Director to be the nominated ‘Treasurer’
6. The Chief Executive as a full voting Ex-Officio Member
7. The ability for the Board to appoint a number of Special Advisers
8. 4 year term for Chairman and Board Members (excluding the CEO which is a permanent position)
9. A maximum of two terms before retirement from the Board for non-Football Directors, 3 terms for Football Directors
10. Three standing committees and a number of Technical sub-committees

Recommendation 5 – HKFA Membership

That the current HKFA Membership is replaced on a phased basis by a new HKFA ‘Assembly’ with a broader representation which includes Clubs (Professional and Amateur), Districts and a wide range of other ‘affiliated’ stakeholders conditional on an application process and clear demonstration of compliance against defined criteria.

Recommendation 6 – Relationship with Executive

That subject to the successful implementation of a new organisational structure (see Recommendation 11 below), the Board agrees a 'Schedule of Delegation' that conveys powers on the Executive to deliver the Board's approved Strategy and Business Plan.

Part 2 – Vision, Strategy and Business Planning

Mission Statement

To be recognised and respected in Hong Kong and internationally as the lead body for football in Hong Kong

Core Values

- **Excellence:** To constantly strive to achieve the highest possible standards of football at all levels.
- **Professionalism:** To manage all aspects of the organisation in an exemplary manner and to become a World Class NSA.
- **Representative:** To reflect the whole population of Hong Kong in the work that we do and in the services we provide.
- **Integrity:** To be, and to be seen to be, transparent and honest in all our endeavours.
- **Inclusive:** To work in partnership for the benefit of football with all our stakeholders.
- **Inspiration:** To motivate people to become involved in football playing, coaching, officiating, watching and administrating.

The Vision for the HKFA

Develop

In the next twelve months the HKFA will **develop** into an organisation with:

- **A demonstrated ability to transform into an organisation fit to lead football in Hong Kong**
- **An agreed new Board, Constitution and Governance arrangements**
- **A wider remit covering the whole sport**
- **Additional financial resources**
- **A new organisational structure and additional Human Resources**
- **Enhanced management and motivation of Human Resources**
- **An agreed set of changes to the League structures in Hong Kong and an implementation plan**
- **An agreement with Government on additional and guaranteed access to facilities**
- **The start of additional commercial revenue**
- **An agreed Football Development Plan**
- **Improved partnership arrangements with stakeholders**
- **Better relationships with fans and media**

Deliver

In five years time the HKFA will have **delivered** the following:

- **An organisation that is respected in Hong Kong and internationally for its innovative approach and the results it produces**
- **An organisation that is financially stable and suitably resourced**

Hong Kong Football Association

Project Phoenix – Change Agent Recommendations – A Future Vision for the Hong Kong Football Association

- **An organisation that attracts and retains excellent staff with a performance management culture**
- **Better standards of play at all levels**
- **Higher AFC/FIFA ranking of international teams**
- **A significant increase in the number and quality of players, coaches and officials**
- **Well established 'pathways' to allow talented footballers to achieve their full potential**
- **A balance between the supply of and demand for football facilities**
- **The realisation of the National Football Training Centre as the pinnacle of a coordinated facilities network**
- **A revised, more competitive and inclusive League structure**
- **A sustainable fully professional and independent Premier Football League with home venues, commercial revenue and higher levels of spectators**
- **A vibrant 'Product' that attracts spectators, sponsors and broadcasters**
- **A welfare system for footballers**
- **An organisation that partners respect and want to work with**

Longer term goals (10 years +) :

- **Making football a desirable career**
- **Exporting home grown talent to other countries**
- **Being competitive at international competitions (East Asian Games, Asian Games, Olympics, World Cup)**
- **Hosting international tournaments**
- **A new National Stadium**
- **Hong Kong teams being competitive in the AFC Champions League**
- **The HKFA being financially self sufficient**

Hong Kong Football Association

Project Phoenix – Change Agent Recommendations – A Future Vision for the Hong Kong Football Association

The above is suggested by the Change Agent. The HKFA can adopt it, if considered appropriate. On the other hand, it could amend or re-write it. The important thing is that there is an agreed vision, something that will guide the future direction of the organisation and set out the clear intention of the HKFA for partners and stakeholders.

Recommendation 7 – Vision

That the HKFA agrees this new Vision Statement and communicates it effectively internally and extensively externally.

Recommendation 8 – Strategic and Business Planning

That each Department/Function of the HKFA prepares an annual business and financial plan which reflects the priorities of the Board as set out in the vision and strategy. Plans should set out the resources required to deliver a specific set of measurable outcomes.

Recommendation 9 – Day to Day Decision Making

That the HKFA Secretariat should be strengthened and that a defined Schedule of Delegation should be approved giving authorisation for day to day decisions within a policy and strategy framework as determined by the Board.

Recommendation 10 – Leadership and Direction

That the HKFA appoints an experienced Chief Executive as a full voting Board Member

Part 3 – Organisational Issues

Recommendation 11 – Organisational Structure

That the HKFA approves and systematically implements a new organisational structure which is commensurate with and aligned to the new governance structure, remit and strategy of the HKFA as set out in Develop – Deliver. The new organisational structure should be based on;

1. The appointment of a high level and suitably experienced Chief Executive
2. The establishment of four Directorates, 1) Technical, 2) Commercial, 3) Internal Finance and Administration, and 4) Football Administration
3. That appointments are made for the Directors of each Directorate as soon as the strategy is approved and funding is in place
4. A strong Technical Directorate responsible for delivering football development at all levels through the work of specialist Development Managers (Elite, Coaching, Refereeing, Youth and Grassroots, Women's', Futsal/Mini-Football) and eighteen Community Development Officers working at a District level
5. The appointment of other key support personnel required to deliver the strategy
6. The ability to appoint specialist external advisers for specific projects and roles
7. The appointment of a new Hong Kong Team Manager/Coach on a fixed term contact with clear targets
8. The immediate appointment of a Financial Controller

Recommendation 12 – Financial Management

That the HKFA immediately addresses its weakness in financial management and control as part of the fourth pillar of excellence. This will include;

- 1. The immediate appointment of a Financial Controller**
- 2. The establishment of a new Directorate of Finance and Administration**
- 3. The introduction of effective systems (hardware and software) and procedures (modus operandi), including the development of a detailed procedure manual with clear rules for modification and approval. The document should cover all activity of the HKFA and shall be strictly enforced to ensure the maintenance of good business practices**

Recommendation 13 – Human Resource Management (General)

That the HKFA become an employer of choice and adopts the highest standards of management of its human resources. This should include the appointment of a HR Manager within the Directorate of Finance and Administration who will be responsible for the recruitment, training, development, retention and discipline of staff.

Recommendation 14 – Team Briefing

That regular dialogue takes place between all levels of the HKFA and that information is cascaded down effectively from the Board to the Senior Management Team and all staff through regular communication both formal and informal.

Recommendation 15 – Continuous Professional Development

That all employees of the HKFA (current and future) are given job descriptions that reflect their role and prevailing priorities and that they are subject to a regular appraisal process that identifies training needs. Developing the human capital should be a key priority of the new HKFA based on merit and with the highest degree of integrity.

Recommendation 16 – Staff Remuneration

That staff wages, salaries and benefits of the staff employed at the HKFA be reviewed and benchmarked against other similar sized National Sports Associations with a view to ensuring the ability to recruit and retain high calibre employees.

Recommendation 17 – Systems and Resources

That all systems, procedures and working practices are reviewed by the four Directorates and new protocols be developed based on the Schedule of Delegation (Recommendation 6) that reflect the priorities of the new vision and strategy. That additional hardware and software be purchased to streamline working practices and ensure that the HKFA is modernised technologically.

Recommendation 18 – Public Relations

That a new Marketing and Communications strategy is developed under the auspices of the new Commercial Director and that greater emphasis is placed on developing excellent working relationships with all stakeholders and especially the media.

Recommendation 19 – Working Environment

That the existing HKFA Headquarters be refurbished and re-organised to create a better working environment that reflects the new organisational structure and that if the National Football Training Centre comes to fruition, consideration be given to relocating all or some (Technical Directorate) to that site.

Part 4 – Raising the Standard of Football

Recommendation 20 – Budget for Develop – Deliver

That the HKFA agree in principle the budget included in Develop – Deliver as a blueprint for the transformation of the HKFA and the enhancement of football in Hong Kong.

That discussion is entered into with funding partners to secure the additional funding required.

That the award of additional funding be directly linked to the delivery of specific outputs and outcomes.

That funding levels and targets are reviewed annually in an annual financial plan prepared by the CEO and endorsed by the Board and that this is used as the basis for future discussions with funding partners.

Recommendation 21 – Hong Kong and Representative Teams

That additional resources be invested in the training and development of Hong Kong and representative teams under the auspices of the new Technical Directorate.

That excellent relationships are forged between the Technical Directorate, the Hong Kong Team Manager/Coach and the Professional Clubs so that conflicts are resolved with minimal impact, and that the relationship between ‘Club and Country’ is in accordance with FIFA statutes.

That commitment is given to using a National Football Training Centre if provided.

Recommendation 22 – New Professional (Premier) League

That the HKFA approves in principle the development of a new Professional 'Premier' League and immediately establishes a Board Committee/Working Party to oversee its implementation. The new League should be based on the following;

1. A target start date of the 2012/13 season and that the HKFA establishes a Working Party as a priority
2. The 2011/12 season be seen as a staging post to the new league with changes to the format etc
3. A target of 12 teams with a minimum of 10. An initial maximum of 14, thereafter reviewed annually
4. There to be no relegation for the first two seasons to allow teams to consolidate. Promotion to be encouraged.
5. That the inaugural league be based on an application/licence basis with entry criteria linked to the AFC requirements
6. That 2011/12 teams be given 'first refusal' subject to meeting the entry criteria
7. Home venues guaranteed through a partnership with Districts
8. A format that promotes excitement and a better product including more matches
9. A minimum number of paid professional players (16 with a maximum of 3 + 1 foreign players on the pitch and in the squad) and a minimum wage
10. The establishment of a Professional Footballers Association to look after the welfare of footballers
11. A commitment to use the proposed National Football Training Centre as a training base and centre of excellence (unless suitable alternative facilities are available)
12. Finding a major league sponsor and ultimately securing broadcasting rights
13. Consideration given to allowing gambling on domestic football subject to strict rules being applied
14. That the League be established under the auspices of the HKFA with a target for the League to become an independent legal entity by 2014/15
15. That the new League has a separate P and L within the HKFA financial plan

Recommendation 23 – Structure of Football in Hong Kong

The HKFA Change Agent recommends that consideration be given to a fundamental review of the Structure of Football Development in Hong Kong. In conjunction with the development of a new Professional League, a plan should be formulated for a phased introduction of the following:

- 1. When the new Hong Kong Premier League is established i.e. 2012/13, the current Divisions 2, 3a and 3b should be replaced by new Divisions 1 and 2. These would have no age restrictions and would initially receive ‘seed’ funding from the HKFA to ensure sustainability. The Premier League and Divisions 1 and 2 would collectively form the Hong Kong Football League. Although initially there would be no relegation from the Premier League, ultimately there should be free movement between the Divisions. The Rules for each Division should be enshrined and implemented consistently. Changes would require the approval of the Full FA Membership. The HKFA will organise and administer the HK Football League.**
- 2. Each Premier League team will need to meet AFC criteria and should operate age group youth Academies between under 13 and 18 years of age. There should be an Academy League for each age group. Youth Academies at Premier League Clubs should replace the ‘Reserve’ League.**
- 3. The Cup Competitions should be reviewed. For example The Premier Shield which would be exclusively for the Premier League Clubs. The HK League Cup open to all Divisions of the Football League. The HK FA Cup open to all teams affiliated to the HKFA (see below) (Premier League teams joining in later rounds).**
- 4. Other Leagues e.g. Yau Yee League should be encouraged to ‘affiliate’ to the HKFA and become part of the Football ‘fraternity’. Affiliated Clubs can apply for accredited status (subject to meeting minimum criteria). This ‘licence’ will entitle them to benefits such as access to coaching support and advice. Eventually there should be promotion from these amateur leagues into the 2nd Division of the HK Football League.**
- 5. District Councils should channel their funding into Youth Development rather than teams in the current Divisions 1, 2 3a and 3b. Each District should have annual age group squads from under 9 to under 18 and there should be District Leagues at all age groups. Squads should be circa 16 boys and they would be subject to an annual selection and evaluation process. This would not prevent Districts from also continuing to support teams in the new Divisions (Premier, 1 and 2)**
- 6. The HKFA should establish a system of registration and accreditation for commercial soccer schools**

Recommendation 24 – Football Development

That the Football Development Plan (Appendix 6) prepared as part of Develop – Deliver be adopted by the HKFA and implemented by the new Technical Directorate.

That the Football Development Fund be significantly increased to direct additional resources into; representative teams, District youth teams, grass roots football development programme, coach education, officials development

That a Referees ‘supremo’ be appointed on a short-term consultancy basis to establish a curriculum and referees development plan and thereafter a nominated officials officer within the Technical Directorate assumes responsibility for the recruitment, retention and training of officials

That greater emphasis and resources be put into football development at all levels (elite to grass roots) and covering all participants in football including boys, men, girls, women as well as Futsal and mini football players.

That a ‘Performance Management’ approach should be taken to football development in Hong Kong with annual targets and regular reviews.

Recommendation 25 – Eligibility for Representative Teams

That the HKFA investigates immigration policy in relation to dual nationality provisions and reviews the policy of eligibility for representative teams / squads.

Recommendation – 26 – National Football Training Centre

That the HKFA confirms its commitment to be a main partner in the development and future use of a National Centre for football and recognises that the NFTC is fundamental to the future success of football in Hong Kong. Dedicated access to purpose-built football facilities is critical.

Recommendation 27 – New National Stadium

That the HKFA confirms its commitment to the provision of a new National Stadium and provides appropriate support to the development.

Recommendation 28 – Community Facilities

That the HKFA recognises the current under-supply of good quality accessible facilities for football in Hong Kong and commits to working with partners and especially the Government (Central and District) on the development of enhanced facilities for football. In particular it agrees to work in partnership with HAB, LCSD and District Councils to facilitate the establishment of a new Professional League involving the allocation of ‘home’ venues.

That the HKFA requests that the Government considers the development of a hierarchy of use of facilities with guaranteed use for certain categories of Football and agreed quotas on levels of use.

Recommendation 29 – Player Status and Welfare

That the HKFA gradually but systematically raises the status of professional players through the establishment of a new Professional League which has as part of its criteria for entry a requirement for Clubs to put in place education programmes at its Academies and also for senior players.

That as part of the new Professional League a minimum wage is agreed which is reviewed regularly.

That as part of the new Professional League a Professional Footballers’ Association is established as part of the HKFA which will eventually be an independent body with a remit to look after the welfare and training of existing and former players.

Recommendation 30 – China League

That consideration of a Hong Kong based team playing in the Chinese Football leagues be deferred for the foreseeable future and that only when the time is right, the HKFA should open dialogue with the AFC and with FIFA about the participation of a ‘Hong Kong United’ team in the China League subject to that team not detracting from the new Professional League or compromising the success of the Hong Kong and representative teams.

Recommendation 31 – Partnership Working

That the HKFA recognises that to bring about the transformation of the sport of football as articulated in Develop – Deliver it is essential to work in partnership with a range of stakeholders. This will be facilitated by;

1. Wider representation on the new HKFA Assembly
2. Additional independent Board Members
3. Representing the sport as a whole and developing a football ‘family’ through the affiliation of all teams and players
4. Working together with other partners and stakeholder on joint football development initiatives
5. Delivering agreed outputs and outcomes linked to funding agreements
6. The organisation of an annual football forum/conference
7. Better marketing, communications and PR

Recommendation 32 – Targets and Measures of Success

That the HKFA adopt the target outputs and outcomes articulated in Develop – Deliver as the starting point for measuring the success of the transformation of the HKFA and the raised standards of football development in Hong Kong.

That these targets be monitored, reported and reviewed annually as part of the organisations Business Planning cycle.

Recommendation 33 – The Way Forward

That the HKFA approves the recommendations in Develop – Deliver and the Implementation Plan (Appendix 8)

That the HKFA consults with all stakeholders on this strategy and enters into constructive dialogue with funding partners and specifically the Government on changes to current policy.

That the HKFA regularly reviews progress against the action Plan.

The HKFA Change Agent is keen to stress that although these recommendations reflect different strands of the transformation process, they are not mutually exclusive. Many of the recommendations are linked and co-dependent. Some recommendations are more critical than others. Develop – Deliver must be seen as a package of actions all focussed on the transformational change of the HKFA in order to give it the strength, resources and influence to lead football in Hong Kong. The HKFA should consider the recommendations holistically but may want to amend certain aspects of this change plan. Indeed we would expect that certain aspects of Develop Deliver will need to be scrutinised in detail by working parties and that the recommendations may involve as a result of that analysis. We are not precious about these recommendations and see them as a starting point. Ultimately the HKFA and its partners will need to implement the recommendations and there must be 'ownership' of them.

It is unlikely that all of the recommendations will be universally popular. We would not expect them to be especially as people will view them with different 'frames of reference'. We would urge people to base decisions on what is best for football in Hong Kong.

Resources

This document concludes that at present the HKFA is under-funded and under-resourced. As a result the work it can do and the outcomes it can deliver are severely limited. It stands to reason therefore that this must change as part of any development plan. The single most important resource in any organisation is people – it is human capacity and capability that brings about transformational change. The Change Agent believes that the existing staffing establishment of the HKFA should be significantly strengthened by the appointment over time of 34 full time staff. The vast majority of these (25) will be front-line operational staff carrying out football development work. The appointment of this number of additional staff will depend on future funding and income generation.

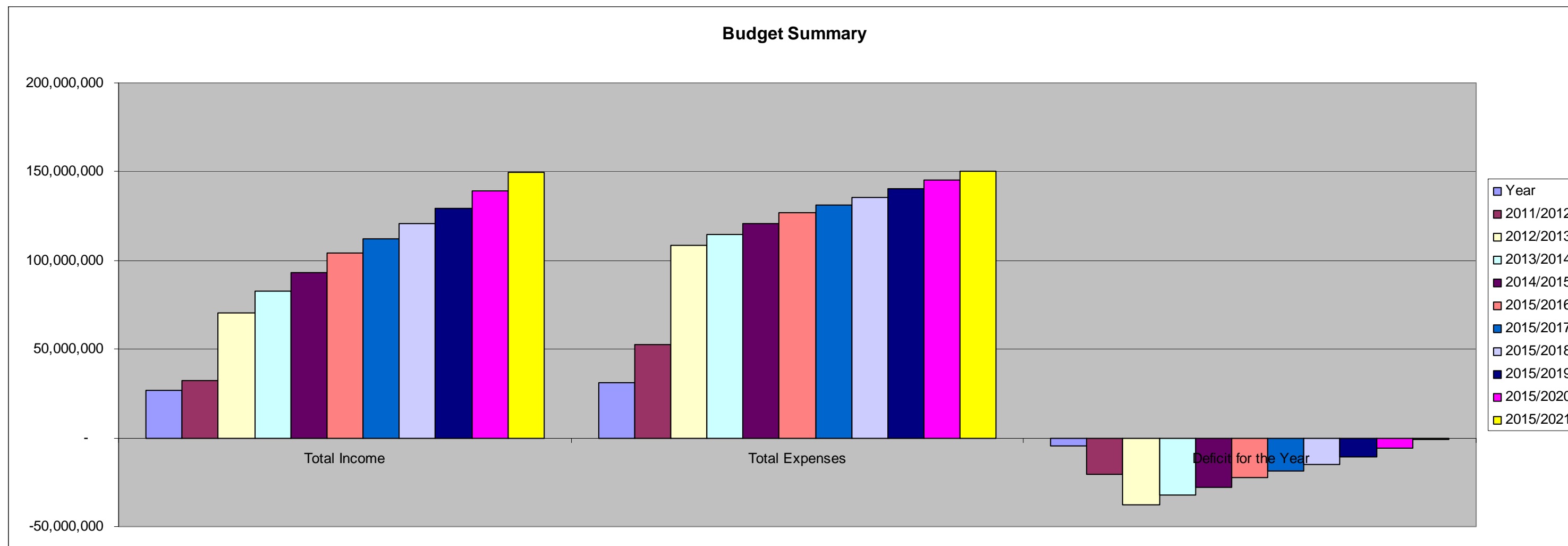
There is also a need to provide the existing and new people with resources to use in the delivery of a new vision and strategy for the HKFA. Over the strategy period (now to 2015/16) the income received by the HKFA should increase from HK\$27m to HK\$104m. The main sources of additional revenue will be from sponsorship, other commercial initiatives, player and club affiliation fees, football development fund income (courses etc) and existing partners e.g. LCSD/FIFA.

Over the same time period, the annual costs of the HKFA will also increase as a direct result of delivering the strategy from HK\$31m to HK\$127m. The additional costs relate to staffing, more football development activity, the establishment of a new Professional League, greater support to the Hong Kong and representative teams etc.

The gap between income and expenditure over the five year strategy period and a further five-year extrapolation is shown in the table and graph overleaf.

Budget Summary

	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2015/2017	2015/2018	2015/2019	2015/2020	2015/2021
Total Income	27,019,099	32,080,739	70,622,555	82,431,244	92,902,161	104,259,302	112,078,750	120,484,656	129,521,005	139,235,081	149,677,712
Total Expenses	31,291,888	52,559,815	108,226,425	114,886,171	120,732,647	126,614,591	131,046,101	135,632,715	140,379,860	145,293,155	150,378,416
Deficit for the Year	- 4,272,789	-20,479,076	- 37,603,870	- 32,454,927	- 27,830,486	-22,355,289	-18,967,352	-15,148,059	- 10,858,855	-6,058,074	- 700,704



This increased funding requirement will need to be provided for and the HKFA will need to apply for Government Funding to make up the shortfall.

Beyond the strategy period i.e. after 2016, the net cost should reduce due to increased revenue and it is to be hoped that the HKFA will be able to reduce its dependency on public sector funding. The graph and table sets a target for reducing the additional funding required to zero within ten years. This still assumes partnership funding from LCSD, FIFA etc at a level similar to existing arrangements. Additional catalytic Government funding is however seen as an essential 'pump-prime' for the HKFA and this will need to be 'front-loaded'. Additional funding of circa HK\$20.5m will be required in year 1, rising to a peak of circa HK\$37m in year 2. The total funding requirement over five years is circa HK\$140m an average of HK\$28m per annum over five years.

Hong Kong Football Association

Project Phoenix – Change Agent Recommendations – A Future Vision for the Hong Kong Football Association

Implementing the change process will therefore not be cheap but the positive outcomes should be significant. Transformation of the organisation must lead to the transformation of the sport both on and off the pitch.

Intangible and Tangible Outcomes

The nature of the transformation is such that there will be some tangible and some intangible outcomes. The intangibles are seen as no less important because these will help to turn around the negative perception of the Hong Kong FA and football in Hong Kong generally. The implementation of Develop – Deliver should result in the following benefits.

- **Changes to the Governance, Constitution and Structure will have the following positive benefits:**
 - The HKFA will represent and be sent to represent the sport as a whole and will develop a football family of clubs, individuals and affiliates
 - Investment and a greater focus will filter down to all areas and people in Hong Kong
 - The new structure and constitution will give greater credibility in the eyes of the public, the AFC, FIFA and partners
 - The new Board will be more representative of the sport and will operate in a more transparent way thus reducing real and perceived conflicts of interest
 - The new FA Assembly will also be more representative of the sport and will support the Board in delivering the strategy.
 - More people and organisations will be encouraged to work with the new football National Sports Association
 - There will be a better working relationship between the Board and the Executive with empowerment of key individuals to implement policy
- **Changes to the Vision, Strategy and Business Planning will have the following benefits:**
 - A clearly articulated and agreed set of vision, mission and values that can be communicated to all stakeholders thus reinforcing the perception of the HKFA as a well organised, inclusive and efficient organisation that knows where it is going
 - A clearly defined strategy that makes it clear how the HKFA relates to other organisations
 - A Business Plan that cascades strategy down into meaningful budgets and action plans
 - Aligning all activity to the delivery of the prevailing priorities of the HKFA
 - Strong and purposeful leadership

Hong Kong Football Association

Project Phoenix – Change Agent Recommendations – A Future Vision for the Hong Kong Football Association

- **Changes to the Organisation will have the following benefits:**

- The right people doing the right things at the right time with the right resources
- Sufficient allocation of people and money to make a real difference across all facets of the sport
- Highly effective controls and ‘checks and balances’
- A workforce that is well qualified, motivated, directed and rewarded
- The creation of an excellent working environment and culture that fosters a positive outlook and a focus on delivering results on and off the pitch
- Systems, procedures and hardware that are commensurate with a world-class sports association

- **Raising the Standard of Football played in Hong Kong will have the following benefits:**

- Hong Kong and Representative Teams that have the ability to fulfil their potential and bring renewed pride to the nation
- Success on the international stage that inspires the younger generation
- A positive relationship between the Hong Kong and Representative teams and Professional Clubs
- A new Premier League that is independent, self-sustaining and generates huge spectator, sponsor and media interest
- Hong Kong teams playing regularly in the AFC Champions League
- A new more inclusive structure of football in Hong Kong that promotes more competition at all levels
- Better standards of playing, coaching, officiating and development
- Football Development programmes that are coordinated across Hong Kong at all levels, that maximise participation, identify talent and nurture that talent through clearly defined pathways so that self-actualisation through football can become a reality
- A structured approach to coach education resulting in more better qualified people at all levels of the sport
- Encouragement of the recruitment, development and retention of better trained officials
- More, better and accessible football facilities at a community, club and Hong Kong level including home venues for Premier League Clubs, a new National Stadium and a National Football Training Centre

Hong Kong Football Association

Project Phoenix – Change Agent Recommendations – A Future Vision for the Hong Kong Football Association

- The enhancement of the status of football players in Hong Kong such that young people aspire to a career in football through education and welfare support, academies, minimum wage and a Professional Footballers Association
- The ability to attract talent from overseas
- The development of talent to such an extent that it is sought out by other countries
- The development of effective partnerships across Hong Kong with all football stakeholders

The Change Agent fervently believes that these outcomes can be delivered if Develop – Deliver is agreed, adopted and implemented in full. A partial implementation will inevitably result in a dilution of the positive outcomes and outputs.

Hong Kong Football Association

Project Phoenix – Change Agent Recommendations – A Future Vision for the Hong Kong Football Association

Specific Targets

The recently approved Government Strategy for Football ‘Dare to Dream’ contained some specific targets. Develop – Deliver has been prepared to make the HKFA fit for purpose and in so doing help to contribute to and in some cases lead the delivery of the wider strategy. For this reason, Develop – Deliver has adopted the following targets. Performance against these will be measurable.

Target/Measure	Existing Level	Future Target	Date
Hong Kong Team FIFA world ranking (men)	146 (Jan 11)	120	2012
		100	2015
		Maintain Top 80	2020
Hong Kong Team FIFA Asia Ranking (men)	26 (Jan 11)	20	2012
		15	2015
		Maintain Top 10	2020
Hong Kong Team FIFA world ranking (ladies)	67 (Nov 10)	50	2012
		40	2015
		Maintain Top 35	2020
Hong Kong Team FIFA Asia Ranking (ladies)	14 (Nov 10)	11	2012
		9	2015
		Maintain Top 8	2020
Annual Number of International Matches (Senior)	5 (Average of last 5 years)	8 Friendly matches (minimum) 6 Competitive (depending on competitions)	2010
Number of Registered Players	N/A	280,000	2014
Average spectator numbers (New Premier League)	Circa 1,000	3,000	2015
Football ‘Family’ Members	N/A	10,000	2012
% of Population Playing	2.16%	4%	2014
Number of Affiliated Clubs	82	120+	2014
Clubs with Quality Accreditation	N/A	25%	2014
		50%	2016
Registered Officials	1016	1,500	2015
Football Development Programmes	2,129	2,500+	2012
		3,000+	2015
		3,500+	2020
Number of Synthetic Pitches	11	34	2015
Delivery of National Training Centre		Operational by	2014
Sports Scholarship Bursaries	N/A	15 per annum	2012 onwards

Implementation

The extent of change recommended by the Change Agent is significant as is the level of additional resources that will be required to bring about that change. There will need to be a formal process to achieve this involving a number of stages and stakeholders. An outline programme is set out below.

- **Initial ‘in-principle’ Board approval of the Develop – Deliver strategy recommendations – February 11th 2011**
- **HKFA and stakeholder consultation period – Mid February to end March 2011**
- **HKFA Full Membership Extraordinary General Meeting to approve a new ‘Constitution’**
- **HKFA Board Meeting to ratify the Develop – Deliver strategy recommendations April 2011**
- **Discussion with SAR HK Government and other funding partners regarding increased funding – April/May 2011**
- **Develop – Deliver amended based on funding obtained and working party findings**
- **HKFA Full Membership meeting elect the new Board June/July 2011**
- **Inaugural new Board meeting and formal commencement of Develop – Deliver – June/July 2011**
- **Thereafter the hard work starts!**

Given the iterative nature of the project and the imperative of certain issues, it may be that some of the interim recommendations are implemented in advance of this schedule e.g. the appointment of the new Financial Controller, the appointment of a new Hong Kong team Manager/Coach etc. Once Develop – Deliver has been approved, the critical thing will be to maintain momentum and to ensure that the recommendations and agreed actions take place in a timely and coordinated manner.

The new Board will need to oversee this and empower the Chief Executive and the Senior Management team (once appointed) to get on with day to day delivery. Monitoring progress against a clear timetable and action plan will be important not only ensure that change happens but more importantly to demonstrate to partners and stakeholders that the change is being effective and actually transforming the fortunes of football in Hong Kong.

Prioritising Actions

The table opposite shows each recommendation and priorities the actions in terms of how critical and urgent each recommendation is:

The criticality of the recommendations has been classified as follows; Level 1 = Critical to the delivery of the Vision, Level 2 = Important in the Delivery of the Vision and 3 = Not Critical to the Delivery of the Vision.

The urgency of the recommendations has been classified as follows; Level A = Short term action required i.e. immediate. Level B = Medium term action required i.e. within the next twelve months and Level C = Longer term action required i.e. within the next three to five years. The matrix combines these two variables so that for example recommendations that are in the A1 classification are both critical to the delivery of the Vision and need to be started immediately. At the other end of the scale recommendations C3 are not critical to the delivery of the vision and no action needs to be taken in the near future.

Summary

The importance of Develop – Deliver can not be over-stated. Football in Hong Kong is at a crossroads. In one direction lies continued decline, in the other lies restoration and a potential return to the glory days. The pathway to glory will not be easy but the alternative is unthinkable. Hong Kong wants to be, deserves to be and can be a strong football nation. It is not too late and the end shall justify the means. As well as considerable investment, it will take a concerted and cohesive response not only from a rejuvenated HKFA but also from all other football stakeholders including the Government, Clubs, Players, Officials, fans and the media. Let us not miss this change to make Hong Kong football great again. The HKFA Change Agent commends Develop – Deliver to you.

		RECOMMENDATION MATRIX		
		A SHORT	B MEDIUM	C LONGER
CRITICALITY OF RECOMMENDATIONS	1 CRITICAL	3, 4, 6, 7, 11, 12, 18, 20, 21, 24, 28, 33		
	2 IMPORTANT	1, 2, 10, 22, 23, 26, 31	8, 9, 13, 16, 17, 32	14
	3 NOT CRITICAL	5, 29	25	15, 19, 27, 30
		URGENCY OF RECOMMENDATIONS		
		A SHORT	B MEDIUM	C LONGER

LESS IMPORTANT



URS

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Project Phoenix - The Phoenix is Rising

Introduction

In the next few months the Government will consider whether or not to continue to financially support the HKFA with additional funding when the current three-year Project Phoenix programme comes to a close at the end of October 2014. It is important therefore to show what has been done with the money that has been received to date and to assess objectively whether the initiative has been a success. This report is not a full evaluation of the project but rather a 'position statement'. A more in-depth analysis will be undertaken closer to the end of the three-year funding programme.

Context for the Report

As would be expected with a project involving both football and Government support, there is no shortage of public and media speculation about the efficacy of Project Phoenix. Much of this speculation is based on urban myth, conjecture and misconception. It is critical therefore to establish the facts.

To place the project in its historical context, the Membership of the HKFA approved the plan to transform football in April 2011. It then took a few months for the Government to approve funding of HK\$60m in total spread over three years at HK\$20m per annum. The project 'kicked-off' in November 2011. So year 1 was November 2011 to October 2012, year 2 was November 2012 to October 2013 and year 3, is November 2013 to October 2014. Therefore at this point in time (end January 2014) we are 75% of the way through the three-year cycle. It is noteworthy that the first CEO was in position for a mere 6 months, the last two months of which were spent outside of Hong Kong. The second CEO took up his position in September 2012. The 'teething' difficulties experienced during this initial period inevitably impacted on the speed of implementation and it is fair to say that the project got off to a 'stuttering' start. The results of Project Phoenix need to be seen in this context. In reality it has only been in 'full swing' since towards the end of 2012, just over a year.

In terms of finance, a maximum of HK\$20m per annum was earmarked for three years, a total of HK\$60m. The majority of this money was always intended for additional 'headcount' with the balance being used for marketing, legal services etc. It was not given for football development activities and programmes because this is sub-vented separately by LCSD and 'topped up' by other sponsors. Similarly it was never envisaged that money would be given directly to football clubs because many are commercial entities and cannot be directly funded from tax-payers' money. In the first year, the HKFA drew down HK\$11.78m. It was not possible to draw down the full HK\$20m because the recruitment of new staff was delayed due to the lack of an incumbent CEO. In the second year HK\$17.6m was drawn down as the headcount expanded in line with the project objectives. This final year it is estimated that HK\$19.3m will be required. The remaining HK\$11.32m is committed beyond October 2014 to honour contracts entered

into and to pay for other related initiatives. Therefore the full amount will be spent. As of now around 55% of the total HK\$60m has been drawn down.

Transformational change is never easy and always takes time to implement. The Project Phoenix report was sub-titled **‘Develop – Deliver’** because it was recognized that if the HKFA was to lead the change process it needed to be ‘developed’ first to address its weaknesses and to get it ‘fit for purpose’. Only when this internal change process had been concluded was it possible to fully ‘deliver’ the external changes. In other words, it was always envisaged as an over-lapping ‘two-stage’ process. This was reflected in the 33 recommendations of Project Phoenix which were broken down into **four** main areas as described in this report.

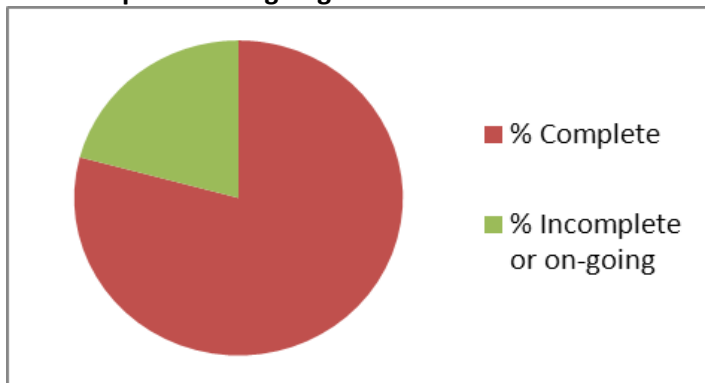
How many of the Recommendations have been Implemented?

Part 1 – Governance Structure and Constitution – 6 Recommendations

Four of these recommendations have been completed including; widening the scope of the HKFA to incorporate Women’s football (rec 1), restructuring the HKFA departmental structure (rec 2), the adoption of a new Board structure (rec 4) and improving the relationship between the Board and the Secretariat (rec 6). The two recommendations in this section that have not been finished; re-writing the constitution (rec 3) and extending the Membership (rec 5) are both receiving attention and are ‘work in progress’. The table and graph below illustrate progress on Part 1 and shows that around 80% has been completed.

Part 1 Sub Total

% Complete	79.17
% Incomplete or on-going	20.83



Part 2 – Vision, Strategy and Business Planning – 4 recommendations

Part 2 of Project Phoenix is about enhancing the strategic and business planning of the HKFA and improving the leadership. All four recommendations; vision (rec 7), planning (rec 8), day to day management (rec 9) and appointing an experienced CEO (rec 10) have been fully implemented as shown in the table and graph below.

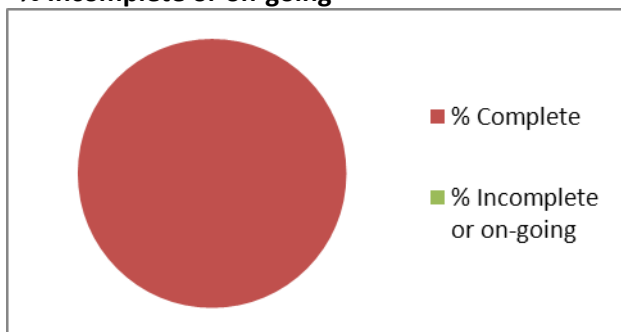
Part 2 Sub Total

% Complete

100.00

% Incomplete or on-going

-



Part 3 – Organisational Development – 9 Recommendations

As previously stated a large part of Project Phoenix involved the transformation of the HKFA into a modern, efficient and effective National Sports Association. There were a number of weaknesses to be addressed. A considerable amount of work has gone into this aspect of the project as a pre-cursor to delivering change in the sport itself. Of these 9 recommendations, only 1 remains 'work in progress'; improving the working environment (rec 19) and this will be complete within the next month as the refurbishment of the HKFA office is concluded. Incidentally, the renovation work has been paid for by FIFA, not Project Phoenix or tax-payers. All of the following Part 3 recommendations have been completed; organizational structure (rec 11), financial management (rec 12), HR management (rec 13), team briefing (rec 14), CPD (rec 15), staff remuneration (rec 16), systems and resources (rec 17), and public relations (rec 18). Of course organisations do not stop developing and many of these recommendations will remain on-going but the important thing is that all have been addressed.

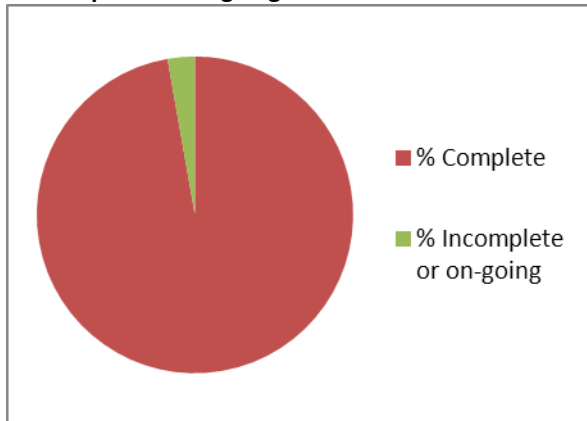
The HKFA is now well organized and well managed with a dedicated team of professionals. To have achieved so much internal change so quickly whilst continuing to operate day to day services, activities and programmes is actually a remarkable achievement as anyone who has been involved in organizational development will testify. This has happened seamlessly and because it is largely 'internal' to the organization, most people will never know the extent of the change. It has **not** gone unrecognized by the football authorities though and FIFA recently inspected the HKFA and approved our participation in their 'Performance Programme', a reflection of their satisfaction with us as a Governing Body. Similarly our organization was recently commended by the AFC for our Grassroots football programmes and awarded an additional US\$50,000. When the AFC sent their SMT inspection team to review our participation in the AFC Champions League they were so impressed that they awarded Licences for two of our teams, allowed us an 'extraordinary' play-off place in the 2014 event and gave us marks comparable to other top countries in Asia in terms of our Organisation (77%), Game Operations (100%) and Governance and Soundness (80%). We are proud of what we have achieved and we will continue to strive to be even better.

No organization is ever perfect but 'continuous improvement' is part of our culture now. We have a good 'team ethic' and work together to address important issues and challenges. By any standard we have had many difficult issues to deal with such as the en masse resignation of the Disciplinary Committee, the problems of the Hong Kong Stadium pitch during the Barclays Asia Trophy, Disciplinary action against us by

FIFA over crowd trouble during the match against the Philippines, and match-fixing allegations and suspension of clubs to name a few. We have dealt with these collectively, effectively and expeditiously largely because of the internal changes, structures and resources that have been brought about as a result of Project Phoenix. Internal change has been remarkable and is illustrated below.

Part 3 Sub Total

% Complete 97.22
% Incomplete or on-going 2.78



So in terms of the ‘**Develop**’ stage and the transformation of the HKFA, it is virtually complete. This demonstrates that the project has been of significant benefit ‘off the pitch’.

Part 4 – Raising the Standard of Football – 14 Recommendations

Arguably the most important part of Project Phoenix as far as the public is concerned is the 14 recommendations designed to have an impact ‘on the pitch’. These are the most ‘visible’ changes and relate to the ‘Delivery’ phase of the Project. We have not waited until the ‘Develop’ phase of the project to commence these initiatives and things have been moving forward in parallel. A summary of the Part 4 recommendations and the work we have been doing is set out below.

Recommendation 20 – Budget for Football Development: In addition to securing the Project Phoenix money we received a 40% increase in the subvention from LCSD between 2012/13 and 2013/14 and secured additional sponsorship from the HKJC. This extra money is being used to expand the football development programmes and many people have already benefitted from this investment, especially young people.

Recommendation 21 – Hong Kong Representative Teams: We have played more friendly and competitive matches and risen in the FIFA Rankings. We have a new Technical Department and a Head Coach. Our Women’s team has also risen in the rankings and played more matches. Our Academy teams have trained more often and played more games. They have done well in recent tournaments.

Recommendation 22 – New Professional (Premier) League: Substantial progress has been made here and the new League is due to ‘kick-off’ this year. AFC approval has been given to the criteria. Eleven of the twelve 1st Division Clubs have confirmed their intention to apply for a licence.

Recommendation 23 – Structure of Football in Hong Kong: We will be re-structuring the other Divisions when the Premier League starts, we have extended the FA Cup to include ‘junior’ teams. We have expanded the number of age groups in the youth league and we have established an accreditation scheme for commercial soccer schools which will be rolled out in the near future.

Recommendation 24 – Football Development: The new Technical Department has completely reviewed all of the football activities and programmes and had the changes approved by the Technical Committee. Much work has been done in this area including the preparation of a National Curriculum, the development of plans for grassroots football, women’s football, futsal and coach education. We have appointed a Referees Manager who is recruiting, training and assessing more match officials.

Recommendation 25 – Eligibility for National Teams; The HKFA has reviewed the criteria and is considering a written submission to FIFA.

Recommendation 26 – National Football Training Centre; As long ago as last May, the HKFA presented a concept, business plan and financial model to the HKJC. This had been approved in principle by the HKFA Board and the Football Task Force. We continue to be in dialogue with our partners on this scheme but delivery is outside the control of the HKFA alone.

Recommendation 27 – New National Stadium: We have actively participated in the Government’s consultation process and are keen advocates of the project. Again delivery is outside our control.

Recommendation 28 – Community Facilities: The HKFA has agreed ‘home and away’ venues for 1st Division Clubs with LCSD and we have prepared a five-year facility development plan for other community facilities. Again, this cannot be delivered in isolation because there are many stakeholders, not least the Government.

Recommendation 29 – Player Status and Welfare: We have set out plans within the new League criteria to improve the welfare of players and we have met with Fifpro who are interested in helping us to develop a Players Association as part of the new League. We have been given approval by the AFC to be part of their ‘Kick-off’ programme and as a result we will be receiving further help from their experts on establishing a PFA. A players’ seminar will be held in the near future.

Recommendation 30 – China League: The HKFA is developing closer relationships with the CFA and has had preliminary discussions about potentially including Hong Kong teams in the CFA FA Cup. One of our staff is helping the CFA in a technical capacity. This recommendation was always seen as a long term aspiration.

Recommendation 31 – Partnership Working: Over the last two years the HKFA has fostered excellent working relationships with the Government, the HKJC, sponsors, media and fans and has significantly improved its PR and communication with stakeholders. We continue to enjoy good relations with FIFA and the AFC. We have been working very closely with the ICAC on combatting corruption and have recently confirmed a Partnership Development with FIFA/Interpol to tackle match-fixing. We are being particularly pro-active in the area of integrity. Other partnerships have been very fruitful too including the Po Leung Kok charity whose generosity has enabled us to host a number of events including a recent International Invitational Tournament. The Premier League has also kindly given us significant legacy funding from the 2013 Barclays Asia Trophy which we are using for Referee Development and Coach Education. All of these partners clearly recognise the good work we are doing.

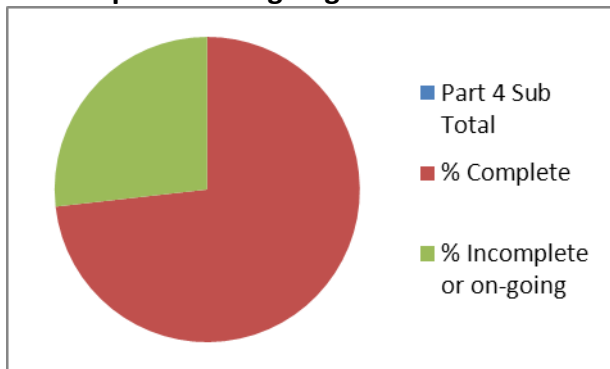
Recommendation 32 – Targets and Measures of Success: The HKFA has set targets for all its financial and operational areas and these are regularly reviewed.

Recommendation 33 – The Way Forward: The HKFA approved the Project Phoenix Strategy and consulted with partners and stakeholders.

It is clear from the above summary that there has been significant and tangible progress on the recommendations designed to improve football on the pitch (more statistical evidence is provided below). Five of the fourteen recommendations have been completed and substantial progress has been made on others. It needs to be recognised that in some cases delivery is beyond the sole control of the HKFA (recs 25, 26, 27, 28 and 30). Similarly other recommendations are a ‘journey’ and not a ‘destination’ (recs 31 and 32). Taking these factors into account it is estimated that around three-quarters of the part 4 recommendations have also been delivered, as illustrated below.

Part 4 Sub Total

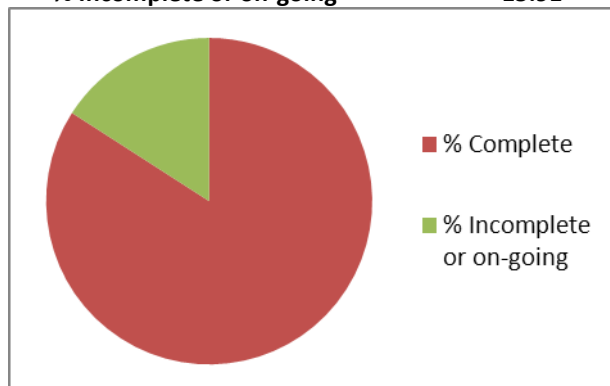
% Complete	73.21
% Incomplete or on-going	26.79



Parts 1, 2, 3 and 4 of Project Phoenix are all equally important and are being expedited simultaneously. By aggregating the results of the four parts it is possible to confirm that 22 recommendations have been completed in full while the rest are well underway. In some cases they will always remain on-going. A considerable amount of work has been done as illustrated below.

ALL recommendations

% Complete	84.09
% Incomplete or on-going	15.91



What has been achieved as a result?

We understand that people want to see tangible results – so do we. However, everybody has to be realistic because it takes time to change the culture of a sport as well as its structures and systems. It takes even longer for positive results to stem from those changes. Other countries that have embarked on a football transformation process have taken ten years to reap the benefits. As they say, patience is a virtue, it is also in short supply!

That said, it is already apparent that positive developments are underway. In terms of improving the corporate governance, management and productivity of the HKFA the existing (pre-Project Phoenix staff) have been joined by additional headcount and collectively they have moved the Association forward.

Head Count - Corporate Services (14 posts)

The following essential posts have been filled: *CEO, Personal Assistant, Financial Controller, Head of Corporate Governance, Accounting Officer, Assistant Accounting Officer, HR Manager, HR Officer, Administration Officer, Head of Marketing and Communications, Assistant Marketing Manager, Marketing Officer, IT Manager, Corporate Support Manager*. It has taken time and diligence to recruit these people. They have already completed the following initiatives in addition to the normal day-to-day duties.

- Review of Policies and Procedures completed and changes implemented
- Backlog of Audited Accounts sorted
- New Financial/accountancy system introduced
- Finance Manual prepared and issued
- Arrangement for annual returns and adoption of audited accounts reviewed
- Internal control review mechanism introduced
- Staff Handbook prepared and issued
- Performance Appraisal System designed and implemented
- Pay review mechanism and salary benchmarking undertaken
- Terms and Conditions of Service – harmonization exercise carried out
- Marketing Strategy prepared and significant improvement
- New Website created
- Office Refurbishment (2 phases carried out)
- IT Strategy implemented and new FIFA system being evaluated.

Head Count - Technical – (10 posts)

To complement the above positions we have also recruited a team of technical specialists who have been working extremely hard to implement the recommendations included in Project Phoenix. This includes; *Technical Director, Head Coach, Coach Education Manager, Grassroots Football Manager, Futsal Manager, Academy Head Coach, Referees Manager, Women's Football Manager, Special Projects Manager, Representative Teams Administrative Manager*. There are many positive developments that have already come to fruition as a direct result of these new experts using their skills, expertise and qualifications. It is highly probable that many of these would not have come to fruition without Project Phoenix. Anybody that doubts the project should consider the following:

Youth Development

Youth Leagues Competition: One more age group in the District programme. Back in 2011/12 101 teams competed in four age groups, in 2013/14 there are now 129 teams competing in 5 age groups equivalent to an additional 700 boys playing competitive football . In 2010/11 there were 446 matches played in 2013/14 there will be 814 (82% increase). Therefore there is already a big increase in the frequency of participation.

We have organized an AFC Grassroots programme/ festival which has recently been commended by the AFC resulting in the allocation of an additional grant of HK\$350,000.

Youth Academy: Competitive matches of National Teams (all age groups). In 2010 there was a total of 30 matches, in 2013 there were 53 matches (77% increase).

HKJC Youth Football Programme; 386 players tested to establish benchmarks; the HKFA now has fitness benchmarks to be used for the longitudinal training of players.

Our U18 team was the Champion of 2013 EAFF U18 tournament held in Guam in 2013. Our U16 team qualified for the AFC Finals for the first time ever by finishing second in the group stages, hosted here in Hong Kong.

National Teams

FIFA Ranking; Senior Men's Team 2011 was 169, now Dec 2013 it is 137. An increase of 32 places (20% improvement).

FIFA Ranking; Senior Women's Team 2011 was 70, now Dec 2013 it is 61. An increase of 9 places (13% improvement).

Women's Football

We have successfully integrated the two Associations (Men's and Women's) thus making a unified and integrated Governing Body.

Girl's grassroots participation; in 2010/11 a total of 227 girls were on the programme. In 2013/14 there is a total of 652 (187% increase)

Girls development programmes; in 2010/11, there were no development squads, in 2013/14 there are now 9 teams and 179 players.

Girl's elite programme; in 2010/11 there were 18 'elite' players, now there are 95 (427% increase).

Girl's elite training camps; in 2010/11 there were none, in 2013/14 there were 3. We also held a FIFA Grassroots programme (150 girls),

Women's Football Manager and Coach of Women's National Team have recently successfully completed a FIFA Pro Licence.

Coaching

Coach Education; In 2010 there were 408 coaches trained, in 2013 there were 742 (82% increase). There are now 250 more qualified youth leaders than in 2011. In 2013 we organized 5 Coaching seminars (over 500 people attended). We have introduced a new coaching syllabus, and have 5 FIFA Instructors, 10 AFC Instructors which is much higher than the regional average.

Registered coaches; in 2010 there were 690, now in 2013 there are 749. (8.5% increase).

Refereeing

Refereeing: In 2011 there were 19 Class 1 Referees, at the end of 2013 there are 26 (37% increase). In 2011 there were 25 Class 2 Referees, now there are 36 (44% increase). In 2011 there were 66 Class 3 Referees, now there are 70 (6% increase). In 2011 there were 94 'new' referees, in 2013 there were 180 (91.5% increase). In total in 2011 there were 204 registered referees, now there are 312 (53% increase).

Professional Football

We have prepared the Criteria for the new Premier League which have been endorsed by the AFC. One of our Clubs, SCAA has been awarded a play-off place in the AFC Champions League (another first for Hong Kong).

In 2013 Hong Kong hosted the Barclays Asia Trophy which included two of the top 5 Clubs (Manchester City and Tottenham) as well as Sunderland. The Stadium was virtually a sell-out for these matches. Another one of our Clubs, Kitchee played against Manchester United (top teams want to come here).

Futsal

We have introduced a new primary schools initiative and intra-district competition.

The HKFA hosted a FIFA/AFC **Football Medicine Programme**

The achievements highlighted above represent a summary of the revitalization of football in Hong Kong.

This has been achieved in a relatively short space of time and has involved many people within the HKFA and beyond. For example our own Competitions Department has coped with a 25% increase in workload because of the increased volume of matches and events to organize.

The 'on the pitch' changes have been implemented mainly by the people employed using the Project Phoenix money with able assistance from pre-Project Phoenix staff. When people criticize the project by saying that money should not be spent on additional staff, they should ask themselves; if it weren't for these additional human resources, who would implement the recommendations? People drive change, that is quite clear and we should not be defensive of that fact.

We would like to be able to give our expert team more resources because they could do an awful lot more with additional money, particularly in the areas of youth development, Club development and 'high performance' football. For example, despite Project Phoenix we have too few places to train, we don't have our own conditioning coach or full-time physiotherapist, or testing and analysis equipment – all things that any competitive football nation would take for granted. **If Hong Kong football wants to**

improve and build on the foundations laid by Project Phoenix, it actually needs more resources, not less. We will be looking to further expand what we do in the future in accordance with our new five-year Strategic Plan, **Aiming High – Together.**

Summary

According to the objective analysis, we are 75% of the way through Project Phoenix in terms of timescale. So far because of the slow start we have spent around 55% of the money but all of it is allocated and will be spent. We have completed 22 of the 33 recommendations (66.6%) and made good progress on the others. If you add the ‘work in progress’ on the uncompleted recommendations together with the completed recommendations, it is realistically estimated that the project is around 80-85% complete in total. That’s not bad going considering the slow start.

Many of the completed recommendations relate to ‘internal’ changes that fall below the public radar. Similarly some of the incomplete recommendations are important and high profile such as the new Premier League and the Football Training Centre where we know there is more work to be done. The Training Centre project is a good example of where the implementation of Project Phoenix is outside the control of the HKFA. The Association finished the revised concept, business plan and financial model last May. It needs to be recognized that we require the cooperation of other parties to deliver some of the recommendations.

There is no doubt that as Project Phoenix promised, the HKFA has ‘Developed’. Indeed it is now radically different with a revamped HQ, improved culture and significantly enhanced systems and procedures. The staff resources have almost doubled in two years and levels of expertise are at an all-time high.

Not only is the HKFA in a position to ‘Deliver’ changes in football, we have been doing so in parallel with the internal changes. The new staffs have ‘hit the ground running’ and are using their skills and passion to change the sport for the better.

It is an undeniable fact that we now have more people playing at all levels, (boys, men, girls, women), more frequently and at a higher standard. That alone should convince people that this initiative is working. We also have more coaches and coaching activity and more officials.

Government Support and Match-fixing allegations

Recent allegations reinforce the importance of Project Phoenix which is about improving the quality of football and ‘professionalising’ the 1st Division by introducing a new league based on a licence system. The licence criteria will demand transparency in; governance, management and financial arrangements. Ultimately, the Premier League should result in more money coming into the sport through increased gate receipts, sponsorship etc and as this cascades down to player wages, they will hopefully be less susceptible to corruption. So rather than saying ***‘the sport is corrupt in Hong Kong and this proves Project Phoenix is not working’***, people should be saying ***‘football has a world-wide problem with corruption, Hong Kong is no different, but if we are to limit and reduce the problem, Project Phoenix and the new Premier League are essential’***.

Conclusion

For some people there is a tendency to be cynical about Government-funded projects and this one appears to be no exception. In fact it is probably exacerbated because it is football-related and the sport doesn’t

enjoy the best of reputations. However, what people need to understand is that things are changing and changing for the better. We all know that there are difficult challenges to address and that it is impossible to transform a sport overnight. Without continued Government support, football in Hong Kong may 'wither on the vine'. That would be disappointing considering the significant progress that has been made. The HKFA has transformed itself and is now in the process of transforming the sport in Hong Kong. It is important for football that this process not only continues but that it gathers momentum. The next few months and the decisions that will be taken regarding future funding will be critical for the future of football in Hong Kong.

Mark Sutcliffe, CEO, January 2014