

**For discussion on  
22 May 2017**

**Legislative Council Panel on Home Affairs**

**Proposed injection into  
Elite Athletes Development Fund**

**PURPOSE**

This paper seeks Members' views on the proposed injection of \$1 billion into the Elite Athletes Development Fund (EADF).

**BACKGROUND**

2. The Hong Kong Sports Institute (HKSI) is the Government's elite sport training systems delivery agent. Following approval of the Finance Committee (FC) on 18 July 2011, the Government established the \$7 billion-EADF to provide a stable financial source for HKSI. Every year, we consult the Sports Commission<sup>1</sup> on the annual plan and budget approved by the Board of Directors of HKSI Limited. Subject to the advice of the Sports Commission, approval from the Secretary for Home Affairs on the funding allocation from the EADF will be sought.

**CONSIDERATIONS**

*Development of elite sports*

3. Development of elite sports, together with promotion of "sports for all" and development of Hong Kong into a capital of major sports events, are the three objectives of the Government's sport policy.

4. The HKSI Limited was established on 1 October 2004 to operate and manage HKSI. Following completion of the \$1.8 billion HKSI

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<sup>1</sup> The Sports Commission, chaired by the Secretary for Home Affairs, was established on 1 January 2005. It advises the Government on (a) the policies, strategies and implementation framework for sports development in Hong Kong; and (b) the provision of funding and resources in support of sports development in Hong Kong, taking into account the input from various stakeholders in sport through partnership and collaboration.

Redevelopment Project funded by the Government, HKSI entered into a new phase of strategic development. On elite athlete training, HKSI provides support at two levels –

(a) **individual athletes** who have achieved outstanding results, i.e. senior athletes achieving top two-third positions at senior major tournaments and junior athletes achieving top one-third at local junior events recognised by the respective “national sports associations” (NSAs) may receive grants from HKSI, the levels of which depend on their achievements. These athletes also receive other support services from HKSI such as sports science and medicine, strength and conditioning, hostel accommodation, meals at HKSI, education support, as well as programmes and activities enhancing social and management skills of athletes for their longer-term development. Athletes with sports talent and potential recommended by NSAs may also receive local training support at the HKSI. As at end March 2017, a total of 1 277 athletes, including 354 full-time athletes, were receiving training support at HKSI. The detailed breakdown is at **Annex A**; and

(b) **elite sports** which meet the criteria under the Elite Vote Support System (EVSS). The criteria and support services provided by HKSI under the three-tier EVSS is –

| <b>Tier</b> | <b>Criteria</b>   | <b>Level of Support</b>   |
|-------------|---|---|
| <b>A*</b>   | A <b>Tier A</b> sport whose athletes consistently perform at the highest level and have the potential to achieve medals at the Olympic Games.               | In addition to the support package for Tier A sports, HKSI allocates <b>additional resources</b> for enhanced training programmes.  |
| <b>A</b>    | A current or recent Asian or Olympic Games sport with EVSS score of 9 points or above in the General Scoring Table ( <b><u>Annex B</u></b> ) <sup>2</sup> . | HKSI manages and funds <b>elite training programmes</b> as agreed between HKSI and NSAs concerned, dedicated coaching led by a Head Coach, full support in sports science and medicine. |
| <b>B</b>    | (1) Sport with EVSS score between 6.5 to below 9  | HKSI provides <b>programme funding</b> to NSAs concerned to manage elite training programmes  |

<sup>2</sup> Also available on HKSI’s website : [http://www.hksi.org.hk/f/page/53/8012/Generic%20Table%20and%20guidelines%20\(2017-2021\)-%20ENG%2012.4.2017.pdf](http://www.hksi.org.hk/f/page/53/8012/Generic%20Table%20and%20guidelines%20(2017-2021)-%20ENG%2012.4.2017.pdf)

| Tier | Criteria   | Level of Support                               |
|------|--|--|
|      | points; or<br>(2) Sports with score over 6.5 points that do not compete at Asian or Olympic Games. | as agreed between HKSI and the NSAs concerned. |

5. For Olympic or Asian Games sports scoring below 6.5 points on the EVSS but with elite athletes receiving athletes grants from HKSI, the NSAs concerned will also receive programme funding from HKSI to support their elite athletes. Lists of elite sports and the number of athletes are at **Annex C**.

6. In recent years, the overall performance of Hong Kong athletes has been improving, with remarkable results achieved in different sports. Currently, we have athletes with top ten world rankings in badminton, table tennis and snooker. Our junior athletes have also clinched world championship titles in fencing, windsurfing and wushu. Competition for international podium positions is mainly among athletes undergoing full-time training<sup>3</sup>. It is only through long-term support that our elite athletes could continue to thrive in the international sporting arena.

#### *EADF allocation*

7. The establishment of EADF has provided a stable source of income to HKSI to meet the increasing demand for support services from different sports. Currently, allocation from the EADF accounts for around 90% of HKSI's income, and the remaining comes from the Hong Kong Jockey Club Elite Athletes Fund<sup>4</sup>, other sponsorships and donations. In 2017-18, the estimated budget of HKSI is about \$558 million, of which the earmarked funding from EADF is about \$520 million, which represents an increase of 15.4% over the previous year. Over 70% of the budget is dedicated to areas directly benefitting athletes, including grants to elite athletes, dedicated training programmes, preparation for and participation in major competitions, sports science and sports medicine services.

8. Since the establishment of EADF, the expenditure of HKSI has been

<sup>3</sup> Full-time elite athletes undergo a minimum of 5 days and 25 hours of supervised training per week.

<sup>4</sup> The Hong Kong Jockey Club Elite Athletes Fund (the Fund) was established in 2004 to support elite athletes. One of the major initiatives supported by the Fund is the Athlete Incentive Awards Scheme which provides cash awards to Hong Kong athletes who achieve outstanding performances at six Games, namely the Olympic Games, Paralympic Games, Asian Games, Asian Para Games, National Games and World University Games. The Fund also supports the Hong Kong Coach Education Programme which includes Coach Accreditation Programme, Continuing Coach Education Programme, School Coach Education Programme and Hong Kong Coaching Awards.

increasing by over 10% per year due to the following reasons –

- (a) *significant increase of around 80% in the number of full-time elite athletes*, from less than 200 in 2012 to around 350 in 2017. Against the some 17% increase in the total number of elite athletes, the increase in full-time athletes represents a significant enrichment of capability in the respective squads;
- (b) *increasing number of sports eligible for support from HKSI* – given the improved performance of Hong Kong athletes, more sports have attained sufficient scores under the EVSS and the number of Tier A sports has increased from 15 to 19. The number of Tier B sports, which receive programme funding from HKSI for elite training, has also increased from 4 to 13 during the same period. Among the 60 NSAs receiving subvention from the Leisure and Cultural Services Department, over half of them have teams or individual athletes receiving additional support and/or funding from HKSI for elite training purpose; and
- (c) *increased expenditure in maintaining and upkeeping of facilities* – the construction floor area of HKSI tripled from about 26 000 square metres to about 78 000 square metres upon completion of the HKSI Redevelopment Project in 2014-15. It is necessary to ensure proper management and maintenance to ensure that our athletes can continue to benefit from the facilities.

9. Given the extremely keen competition of high performance sports in the international arena, it is crucial for us to ensure sustainability of development of elite sports in Hong Kong. We expect that the expenditure of HKSI would continue to increase, mainly attributing to the following factors –

- (a) *establishing a critical mass of full-time athletes* – a critical mass of elite athletes within a sport is crucial for the longer term sustainability of high performance sports. HKSI maintains its annual target of increasing the number of full-time athletes by around 10% per year, reaching about 500 in 2020-21;
- (b) *significantly enhancing sports science and sports medicine support* – this is one of the major post-Olympics feedback from coaches and athletes. HKSI has just reorganised the sports science and sports medicine teams with a view to improving attractiveness to and retention of professional talents, as well as to providing dedicated support to sports and individual athletes who have demonstrated clear potential for the coming major games, particularly the Olympics; and

- (c) *enhancing support for disabled sports and disabled athletes* – framework for enhanced training and other support for disabled sports and athletes, such as full-time opportunities, would be worked out among the relevant sports associations, HKSI and the Government in the light of the Consultancy Study on Sports for Persons with Disabilities completed last year.

*Other sources of income*

10. From HKSI's experience, potential commercial sponsors interested in supporting high performance sports are more inclined to directly sponsor squad teams or even individual athletes. That said, HKSI will continue to solicit commercial sponsorships to support the development of elite sports, as well as to leverage on the commercial sponsorship to increase public awareness hence general support at the community level.

11. Prior to the completion of the HKSI Redevelopment Project, there was an intention to generate some commercial income by providing training courses at the community level and renting facilities to outside parties. However, as both the numbers of athletes and elite sports have increased over the past few years, the demand for facilities at HKSI for elite training has increased significantly. On the other hand, HKSI has been actively involved in community engagement activities, mainly by staging various sporting activities in collaboration with schools, NSAs, district or charity organisations. The room for allowing HKSI facilities to be further used by other parties without compromising elite training needs has become very limited. The annual income and expenditure of HKSI since the establishment of EADF in 2012 are detailed below –

|   | 2012-13       | 2013-14                   | 2014-15                   | 2015-16                  | 2016-17<br>(Unaudited)     |
|---|---------------|---------------------------|---------------------------|--------------------------|----------------------------|
| <b>Income</b>   |               |                           |                           |                          |                            |
| EADF (\$M)  | 279.64        | 325.00<br>(+16.2%)        | 376.10<br>(+15.7%)        | 409.70<br>(+8.9%)        | 450.90<br>(+10.1%)         |
| Other funding/<br>Sponsorship/<br>Donation/income (\$M) | 36.86         | 47.71                     | 53.73                     | 37.90                    | 52.04                      |
| Income from community<br>engagement programmes<br>(\$M) | 13.72         | 13.97                     | 18.05                     | 18.86                    | 19.75                      |
| <b>Total Income<br/>(\$M) :</b>                         | <b>330.22</b> | <b>386.68</b><br>(+17.1%) | <b>447.88</b><br>(+15.8%) | <b>466.46</b><br>(+4.1%) | <b>522.70</b><br>(+12.06%) |
| <b>Total Expenditure<br/>(\$M) :</b>                    | <b>301.90</b> | <b>369.40</b><br>(+22.4%) | <b>434.71</b><br>(+17.7%) | <b>469.90</b><br>(+8.1%) | <b>514.63</b><br>(+10.58%) |

## *Operation of EADF*

12. After the EADF was set up, \$6 billion out of the \$7 billion of EADF was deposited with the Hong Kong Monetary Authority in 2012, to earn an investment return (6% for 2011) as the funding source for HKSI. The deposit is due to expire in February 2018. The EADF has so far earned an investment income of around \$1.44 billion. As at end of 2016-17, the total balance of EADF was around \$6.53 billion. Administration of the EADF is absorbed by existing resources of HAB.

13. While the annual expenditure of HKSI increases faster than anticipated, the annual investment return rate of EADF was halved from 5.6% in 2012 to 2.8% in 2017. The investment returns from EADF in the past three years have not been able to meet the financial needs of HKSI in bringing elite sports development of Hong Kong to a higher level. An injection to EADF is therefore necessary before further depleting the seed capital. The income and expenditure summary of the EADF in the past years are as follows –

|                                     | 2011-12 | 2012-13 | 2013-14            | 2014-15            | 2015-16           | 2016-17            | Total    |
|-------------------------------------|---------|---------|--------------------|--------------------|-------------------|--------------------|----------|
| <b>Income (\$M)</b>                 | 0.60    | 284.44  | 327.21             | 242.12             | 363.87            | 218.11             | 1,436.35 |
| <b>Expenditure (\$M)</b>            | 66.53   | 279.64  | 325.00<br>(+16.2%) | 376.10<br>(+15.7%) | 409.70<br>(+8.9%) | 450.90<br>(+10.1%) | 1,907.87 |
| <b>Surplus/<br/>(Deficit) (\$M)</b> | (65.93) | 4.80    | 2.21               | (133.98)           | (45.83)           | (232.79)           | (471.52) |

## **FINANCIAL IMPLICATIONS**

14. We propose a one-off injection of \$1 billion into the EADF to ensure continued support for the operation of HKSI and the development of elite sports. We will continue to monitor the operation of HKSI and EADF.

## **PUBLIC CONSULTATION**

15. In recent years, the Government has allocated substantial additional resources to promote sports including development of elite sports. The proposed injection to the EADF is welcomed by the sports community as a recognition of the efforts of Hong Kong elite athletes in the past years and a continued commitment by the Government in elite sports development.

## **ADVICE SOUGHT**

16. Members are invited to comment on the proposed injection into EADF. Subject to Members' views, we will seek FC's approval for the proposed injection.

**Home Affairs Bureau**  
**May 2017**

**Annex A**

**Number of Athletes Supported by HKSI in 2016-17  
(as at 31 March 2017)**

| <b>Categories</b>      | <i>Note</i>       |
|------------------------|-------------------|
| Elite A+               | 11 (11)           |
| Elite A                | 97 (85)           |
| Elite B+               | 68 (60)           |
| Elite B                | 40 (30)           |
| Elite C                | 61 (41)           |
| Senior Squad           | 89 (46)           |
| Junior/Student Elite A | 101 (39)          |
| Junior/Student Elite B | 111 (20)          |
| Junior Squad           | 201 (22)          |
| Disabled Elite A       | 26                |
| Disabled Elite B       | 20                |
| Disabled Elite C       | 15                |
| Potential Athletes     | 437               |
| <b>Total</b>           | <b>1277 (354)</b> |

*Note : number of full-time athletes in brackets*

# Elite Vote Support System (EVSS) Generic Scoring Table

| Item | Weighting | Criteria   | Rating   |  |   |   |  |
|------|-----------|--|--|--|---|---|--|
| 1    | 1.5       | International-level performance record in previous 2 years –<br><br><b>Senior athletes</b> | 4-8 (> 24 entries) or<br><u>Top 1/3 (≤ 24 entries)</u><br>International Invitation Tournament<br>Regional Championships<br>(e.g. Pacific Games)<br>International Open Competitions | 4-8 (> 24 entries) or<br><u>Top 1/3 (≤ 24 entries)</u><br>Asian Cup Series<br>National Championships   | 4-8 (> 24 entries) or<br><u>Top 1/3 (≤ 24 entries)</u><br>Asian Championships<br>National Games<br>World University Games /<br>Championships<br>Asia Cup (Finals)<br>World Cup Series | 4-8 (> 24 entries) or<br><u>Top 1/3 (≤ 24 entries)</u><br>Olympic Games<br>Asian Games<br>World Championships<br>World Cup (Finals)   | <u>Medal (Minus-one Rule)</u><br>Olympic Games<br>Asian Games  |
|      |           |  | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>Inter-port / Inter-City Competition  | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>International Invitation Tournament<br>Regional Championships<br>(e.g. Pacific Games)<br>International Open Competitions | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>Asian Cup Series<br>National Championships  | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>Asian Championships<br>National Games<br>World University Games /<br>Championships<br>Asia Cup (Finals)<br>World Cup Series | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>World Championships<br>World Cup (Finals)                                  |
|      |           |  | [1]  | [2]  | [3]   | [4]   | [5]  |
| 2    | 1         | International-level performance record in previous 2 years –<br><br><b>Junior athletes</b> | 4-8 (> 24 entries) or<br><u>Top 1/3 (≤ 24 entries)</u><br>International Youth Invitation Tournament<br>Regional Youth Championships<br>International Youth Open Tournament         | 4-8 (> 24 entries) or<br><u>Top 1/3 (≤ 24 entries)</u><br>Asian Youth Cup Series<br>Asian Age Group Championships<br>National Youth Championships                                  | 4-8 (> 24 entries) or<br><u>Top 1/3 (≤ 24 entries)</u><br>Asian Youth Championships<br>National Youth Games<br>Asia Youth Cup (Finals)<br>World Youth Cup Series                      | 4-8 (> 24 entries) or<br><u>Top 1/3 (≤ 24 entries)</u><br>World Youth Championships<br>World Youth Games<br>World Youth Cup (Finals)  | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>World Youth Championships<br>World Youth Games<br>World Youth Cup (Finals) |
|      |           |  | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>Inter-port / Inter-City Youth Tournament   | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>International Youth Invitation Tournament<br>Regional Youth Championships<br>International Youth Open Tournament         | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>Asian Youth Cup Series<br>Asian Age Group Championships<br>National Youth Championships                                     | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>Asian Youth Championships<br>National Youth Games<br>Asia Youth Cup (Finals)<br>World Youth Cup Series                      | Medal (> 9 entries) or<br><u>Top 1/3 (≤ 9 entries)</u><br>World Youth Championships<br>World Youth Games<br>World Youth Cup (Finals) |
|      |           |  | [1]  | [2]  | [3]   | [4]   | [5]  |

## **EVALUATION MECHANISM FOR ELITE VOTE SUPPORT SYSTEM**

Starting from 1 April 2013, a three-tiered Elite Vote Support System (EVSS) has been implemented. The following paragraphs present an overview of the EVSS.

### **General EVSS Structure**

Sports whose athletes have the potential to perform well at the Olympic Games, will be “**Tier A\***” sports.

Sports achieving 9 points or above under the EVSS scoring system will be “**Tier A**”

Sports achieving a score of 6.5 points but under 9 points, will be “**Tier B**” sports.

According to the EVSS generic scoring table, sports meeting the points mentioned above will be provided with support for four years and review of sports performance is conducted every two years to decide if the sport will be provided another four years’ support.

### **Prerequisite**

#### ***Tier A\* and Tier A***

Only sports and events that are contested at the Olympic or Asian Games will be eligible for support under Tier A\* and Tier A, with the provision that existing “Tier A” sports that have previously been included in the Olympic Games or Asian Games, but have been excluded for the immediate following edition of the Games, should remain in Tier A, provided that their overall performance continues to meet the eligibility criteria for EVSS support.

#### ***Tier B***

All sports including those not contested at the Asian/Olympic Games, will be eligible for support under Tier B.

### **Criteria for Continuing in the EVSS**

#### ***Tier A\* and Tier A***

The basic benchmark performance level for continuing to receive EVSS support will be a minimum of 9 points plus either a qualification for the Olympic Games or a medal at the Asian Games or World Championships. If no athlete from a Tier A\* or Tier A sport achieves this level during the 4-year funding cycle, that sport will be removed from the programme.

### ***Tier B***

The basic benchmark performance level for continuing to receive EVSS support will be a minimum of 6.5 points. If no athlete from a Tier B sport achieves this level during the 4-year funding cycle, that sport will be removed from the programme.

### **Scoring Criteria/Guidelines**

1. The final score of the sport will be calculated based on the average of the best results from two senior athletes and two junior athletes.
2. Only one result per athlete will be taken into consideration. If an athlete has participated in both senior and junior events, result of only one category would be counted.
3. Each result, including results of doubles events and team events in individual sports, would only be counted once.
4. Results in demonstration or exhibition events will not be counted.
5. Only results of athletes fulfilling the 3-year residency criteria will be counted.
6. For team events, whether in individual or “Team-only” sports, all members of the team must fulfill the 3-year residency requirement; for Tier A\* and Tier A Sports, all should be eligible to represent Hong Kong in the Asian Games or Olympic Games.
7. Due to a lack of uniformity in the ranking systems for different sports, international ranking will not be used as an assessment parameter.
8. Only results in competitions sanctioned, recognised or endorsed by the relevant international or Asian federation will be considered, except for the National Games and National Championships.
9. For Olympic Games and Asian Games medal results, the “minus-one rule” (i.e. beaten at least one competitor in the competition) will be applied.
10. Only results in events with the participation of four or more countries or regions, will be counted.
11. International opens or professional events with the participation of six or more current world top ten ranking athletes will be considered equivalent to an event at the 4/5-point level.

### **Special Considerations for “Team-only” Sports**

12. Two senior and two junior level results will be counted. Results will be considered on a team basis, and there is no restriction on athlete combinations for different competitions.
13. Results in inter-club competitions, whether local or international, will not be counted.

**Elite Sports and Number of Elite Athletes in 2016-17**  
**(as at 31 March 2017)**

| <b>Sports <i>(note)</i></b> | <b>No. of Athletes supported by HKSI</b> |
|-----------------------------|--|
| <b>Tier A*</b>              |  |
| Badminton                   | 73                                       |
| Cycling                     | 59                                       |
| Table Tennis                | 50                                       |
| Windsurfing                 | 37                                       |
| <b>Tier A</b>               |  |
| Athletics                   | 118                                      |
| Billiard Sports             | 30                                       |
| Fencing                     | 112                                      |
| Gymnastics                  | 50                                       |
| Karatedo                    | 73                                       |
| Rowing                      | 46                                       |
| Rugby (Sevens)              | 86                                       |
| Sailing                     | 67                                       |
| Squash                      | 33                                       |
| Swimming                    | 118                                      |
| Tennis                      | 46                                       |
| Tenpin Bowling              | 29                                       |
| Wushu                       | 67                                       |
| <b>Tier B</b>               |  |
| Dance Sport                 | 14                                       |
| Dragon Boat                 | 14                                       |
| Equestrian                  | 6  |
| Golf                        | 2  |
| Judo                        | 9  |
| Karting                     | 0  |
| Lawn Bowls                  | 9  |
| Mountaineering              | 7  |

| <b>Sports (<i>note</i>)</b>            | <b>No. of Athletes supported by HKSI</b> |
|--|--|
| Orienteering                           | 10                                       |
| Roller Sports                          | 5  |
| Skating                                | 14                                       |
| Taekwondo                              | 0  |
| Triathlon                              | 11                                       |
| <b>Disabled sports</b>                 |  |
| Intellectual Disability – Athletics    | 16                                       |
| Intellectual Disability - Swimming     | 13                                       |
| Intellectual Disability - Table Tennis | 13                                       |
| Physically Disabled - Archery          | 11                                       |
| Physically Disabled - Athletics        | 6  |
| Physically Disabled - Badminton        | 13                                       |
| Physically Disabled - Boccia           | 16                                       |
| Physically Disabled - Dance            | 1  |
| Physically Disabled - Equestrian       | 1  |
| Physically Disabled - Fencing          | 27                                       |
| Physically Disabled - Lawn Bowls       | 7  |
| Physically Disabled - Table Tennis     | 15                                       |
| Physically Disabled - Tenpin Bowling   | 10                                       |

Note :

In 2017-18, Skating and Triathlon are eligible for receiving support as Tier A sports, and Life Saving and Shuttlecock are eligible for receiving support as Tier B sports.