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Panel on Home Affairs

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 28 May 2018

Elite Athletes Development Fund

Purpose

This paper provides background information on the Elite Athletes Development Fund ("EADF") and summarizes the major views and concerns expressed by members of the Panel on Home Affairs ("the Panel") in its previous discussions on EADF and related issues.

Background

2. According to the Administration, its strategic policy for developing sport in Hong Kong is threefold, namely to promote sport in the community, to support elite sport, and to make Hong Kong a centre for major international sports events. The Elite Sports Committee under the Sports Commission¹ ("SC") is tasked to advise the Government through SC on matters pertaining to elite sport, providing policy direction to the Hong Kong Sports Institute ("HKSI") and advising on funding priorities for supporting elite sport and athletes.

3. HKSI is responsible for delivering services to support Hong Kong's top athletes and works in close collaboration with the Sports Federation & Olympic Committee of Hong Kong, China ("SF&OC") and the national sports associations. HKSI commenced a major redevelopment project in March 2009 to upgrade its training facilities for elite athletes of Hong Kong. The redevelopment of HKSI was completed in 2014.

¹ Established in January 2005 and chaired by the Secretary for Home Affairs, SC is responsible for advising on matters pertaining to sports development. There are three Committees under SC, namely the Community Sports Committee, the Elite Sports Committee and the Major Sports Events Committee.

Elite Athletes Development Fund

4. In his 2011-2012 Budget, the then Financial Secretary proposed to set up a \$7 billion EADF. The investment return of EADF would replace the current mode of subvention to HKSI. Under this arrangement, HKSI would no longer receive an annual subvention from the Government, but instead would receive income generated from the investment return from the \$7 billion EADF. The proposal on funding injection into EADF was approved by the Finance Committee ("FC") on 18 July 2011. In January 2017, the former Chief Executive announced in his Policy Address that the Government would inject \$1 billion into EADF to further enhance HKSI's efforts in nurturing elite athletes for Hong Kong.

Panel's discussion

5. The Panel discussed the establishment of EADF on 13 May 2011 and the proposed injection of \$1 billion into EADF on 22 May 2017. The major views and concerns expressed by members are summarized in ensuing paragraphs.

Funding support for the Hong Kong Sports Institute

6. Members noted that while the annual expenditure of HKSI had increased faster than anticipated, the annual investment return rate of EADF was halved from 5.6% in 2012 to 2.8% in 2017. They raised concern that the investment returns from EADF in recent years were insufficient to meet the financial needs of HKSI. It was suggested that the financial subsidy for HKSI could be provided as a recurrent expenditure item, so as to prevent HKSI from having its income fluctuating with the investment returns.

7. The Administration advised that it had endeavoured to provide steady financial support for the operation of HKSI and the development of elite sports. When FC approved the funding proposal for setting up the \$7 billion EADF in July 2011, the Administration had advised that if the investment returns failed to meet the target and where necessary, the Administration might use the seed capital to meet the funding needs of HKSI or seek further injection into EADF. The Administration further advised that part of the seed capital had been used (as at the end of 2016-2017, the total balance of EADF was around \$6.53 billion), and the proposed injection of \$1 billion to EADF was therefore necessary before further depleting the seed capital.

8. Some members considered that as the expenditure of HKSI was expected to continue to rise, the Administration should consider increasing the amount of the injection, so as to ensure adequate funding support for the operation of HKSI and sustainability of development of elite sports in Hong Kong. There

was also a suggestion that the Administration might consider offering tax concession on a trial basis for donations to HKSI so as to provide greater incentives for private donations to support the development of elite sports.

9. The Administration advised that the proposals would have impact on the Government income and had to be carefully considered. Meanwhile, the Administration would continue to monitor the operation of HKSI and EADF and adequate funding support would be provided to HKSI to meet its financial needs in bringing elite sports development of Hong Kong to a higher level.

Scope of the Elite Athletes Development Fund

10. Some members enquired about the selection criteria for elite athletes and elite sports and how the level of grants provided to elite athletes was determined. They also enquired about HKSI's allocation of resources on the provision of sports science and medicine support services for elite athletes.

11. According to the Administration, individual athletes who had achieved outstanding results might receive grants from HKSI, and students with sports talent and potential recommended by national sports associations ("NSAs") might also receive local training support at HKSI. The level of grants received by individual athletes, which ranged from a few thousand dollars to about \$38,000 per month, was determined by transparent criteria based on performance in major competitions. As regards elite sports, the Administration advised that HKSI provided support for sports which met the criteria under the Elite Vote Support System.² Sports meeting the criteria for Tier A and Tier B elite sports would be provided with support for a four-year cycle. A review of sports performance would be conducted every two years. Sports science and medicine support were provided by HKSI to eligible sports and individual athletes who had achieved outstanding results.

12. Some members expressed concern about the exclusion of the three most popular team sports in Hong Kong, viz. football, basketball and volleyball, from EADF, and the neglect of the development of athletes in these team sports. They called on the Administration to allocate a specific portion of EADF to promote them. Other members, however, considered it necessary to have an objective benchmarking system for the selection of elite sports, and the scope of EADF should not be extended to non-elite sports.

13. The Administration explained that EADF aimed at providing funding to HKSI for supporting elite sports that had been selected through an objective

 $^{^2}$ Details of the Elite Vote Support System are set out at Annex B to LC Paper No. CB(2)1418/16-17(05).

assessment mechanism. Although the above three popular team sports were not selected as elite sports based on the existing selection criteria, the Administration had strengthened the financial support for the development of team sports, including football, through the Arts and Sport Development Fund.

Education support for elite athletes

14. Members had stressed time and again that it was incumbent on the Administration to provide effective and coordinated support to elite athletes. They urged the Administration to make reference to overseas experience and put in place a flexible education system, which was considered conducive to the development of elite athletes. In their view, the Administration should formulate a concrete policy and action plans, instead of merely encouraging secondary schools/tertiary institutions to provide flexible programmes for the athletes. In addition to tertiary institutions, some members considered that primary and secondary schools should allow flexibility for elite student athletes to pursue their studies while taking part in sports training or competitions.

The Administration advised that schools were encouraged to make 15. arrangements for high-level student athletes to attend make-up classes, defer studies or apply for leave to take part in training and competitions. There were also tailor-made training programmes offered by schools themselves or in collaboration with other institutions for student athletes to help them strike a balance between studies and sports career. HKSI had also worked with the education sector to develop new educational programmes for elite athletes with a view to achieving a balance between commitment to full-time athletic training and pursuing studies. In this connection, HKSI had signed the Memorandum of Understanding ("MOU") with the Education University of Hong Kong and The Chinese University of Hong Kong, and would sign another MOU with the Hong Kong Baptist University shortly. Under the relevant MOU, the universities concerned would make flexible arrangements for elite student athletes for their studies, e.g. by extending the period of study of a four-year undergraduate programme to eight years.

Career development for elite athletes

16. Members generally took the view that uncertain prospect for elite athletes after retirement had deterred parents from encouraging their children to pursue a career in sports. The Administration was urged to provide more opportunities for retired athletes to pursue further education in local tertiary institutions or consider providing subsidies for them to study abroad. There was also a view that the Administration should explore ways to diversify the career pathways of elite athletes, such as subsidizing non-government organizations in commercial investment projects with a view to creating employment opportunities for elite athletes under those projects.

17. The Administration advised that HKSI was studying the feasibility of developing in-house education programmes for student athletes to better cater for their education and training needs. While local tertiary institutions had the autonomy to admit students and the enrolment requirements for individual programmes offered by different institutions might vary, University Grants Committee-funded institutions had accepted admission applications from elite athletes recommended by HKSI or SF&OC. The Hong Kong Athletes Fund also provided grants to individual elite athletes to pursue their studies at approved overseas colleges or universities if no comparable courses were offered in Hong Kong.

18. Some members suggested that the Administration should develop a comprehensive career development plan for retired athletes, including engaging them as "ambassadors" to major sports events held in Hong Kong, assisting elite athletes who wished to become coaches after retirement in pursuing coach training programmes, and helping retired athletes to take up suitable job placements in sports related field.

19. According to the Administration, arrangements had been made for retired elite athletes to work as coaches and programme coordinators in NSAs and in schools. SF&OC had established the Hong Kong Athletes Career & Education Programme in collaboration with the business sector, with a view to improving the education and career prospects for serving and retired athletes. In addition, HKSI had adopted a whole-person approach to athletes' development and provided various programmes to assist elite athletes in pursuing further studies in preparation for the transition to a second career. The Hong Kong Athletes Fund also provided grants to individual athletes for educational and other academic training to enable them to continue their studies and to develop alternative careers upon retirement from full-time sports training and competition.

Recent developments

20. In his 2018-2019 Budget, the Financial Secretary announced that on top of the \$1 billion injection announced in January 2017, another \$5 billion would be injected into EADF, bringing the total to \$6 billion, to provide greater support for elite athletes. It was also announced that \$1 billion would be injected into the sports portion of the Arts and Sport Development Fund to support sports organizations in the training of athletes and hosting competitions.

21. The Administration will consult the Panel on the injections to EADF and the sports portion of the Arts and Sport Development Fund at the next meeting on 28 May 2018.

Relevant papers

22. A list of the relevant papers on the Legislative Council's website is in the **Appendix**.

Council Business Division 2 Legislative Council Secretariat 23 May 2018

Relevant papers on Elite Athletes Development Fund

Committee	Date of meeting	Paper
Panel on Home Affairs	14.7.2003	Agenda
("HA Panel")	(Item III)	Minutes
	13.4.2007	Agenda
	(Item V)	Minutes
	8.1.2010	Agenda
	(Items V)	<u>Minutes</u>
	14.1.2011	Agenda
	(Item V)	Minutes
HA Panel and Panel on	13.5.2011	Agenda
Education	(Item III)	Minutes
HA Panel	13.5.2011	Agenda
	(Item III)	Minutes
	15.11.2011	Agenda
	(Item V)	Minutes
	14.12.2012	Agenda
	(Item VII)	<u>Minutes</u>
Legislative Council	19.3.2014	Official Records of Proceedings
		Pages 125 to 129
	30.4.2014	Official Records of Proceedings
		Pages 53 to 57
HA Panel	10.4.2015	Agenda
	(Item IV)	<u>Minutes</u>
	12.6.2015	Agenda
	(Item IV)	<u>Minutes</u>

Committee	Date of meeting	Paper
	24.3.2016 (Item IV)	Agenda Minutes
	20.1.2017 (Item IV)	Agenda Minutes
	22.5.2017 (Item IV)	<u>Agenda</u> <u>Minutes</u>

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