

**For discussion on  
25 June 2018**

**Legislative Council Panel on Home Affairs**

**Major Sports Events Matching Grant Scheme and  
District Sports Programmes Funding Scheme**

**Purpose**

This paper seeks Members' views on the allocation of \$500 million to the new Major Sports Events Matching Grant Scheme and the allocation of \$100 million to the District Sports Programmes Funding Scheme.

**Major Sports Events Matching Grant Scheme (Matching Grant Scheme)**

***Background of the Matching Grant Scheme***

2. It is one of the Government's strategies to make Hong Kong a centre for major international sports events. Hosting of international sports events in Hong Kong provides opportunities for local athletes to compete on home ground and the general public to watch high-level competitions, thereby help promoting a strong sporting culture. In 2004, the Home Affairs Bureau (HAB) introduced the "M" Mark System to support "national sports associations" (NSAs) to host major international sports events through the provision of matching fund (i.e. a dollar-for-dollar matching grant provided to the event organiser in accordance to the cash sponsorship solicited from the commercial or private sectors) and direct grant, sourced from the Arts and Sport Development Fund (Sports Portion). In 2017, 13 major sports events have been supported by the "M" Mark System with a total of around \$15.99 million<sup>1</sup> cash grant. Details of the "M" Mark System are set out in **Annex A**.

3. The Government announced in its Budget this year an allocation of \$500 million to the "Major Sports Events Matching Grant Scheme" (Matching Grant Scheme) to enhance the provision of existing matching grant under the "M" Mark System with a view to encouraging more sponsorships

---

<sup>1</sup> Apart from cash grant, the Government further supports the "M" Mark events by waiving venue charges for the use of Leisure and Cultural Services Department venues.

from the private and business sector to support the NSAs to host more higher-level major sports events.

### *Considerations*

4. Over the past decade, the eligibility criteria and the ceiling amount under the “M” Mark System have been reviewed from time to time to cope with the needs of hosting major sports events and inflation. Under the present System, the world championships, one-off championships or one-series championships may apply for both matching fund **and** direct grant, with \$6 million as the maximum amount available. Other “M” Mark events that are organised yearly are only eligible to apply for either the matching fund **or** direct grant. For matching fund, the maximum funding amount for an event is \$9 million in total for its first three years (no more than \$4 million per year) and a maximum of \$1.5 million per year from the fourth year onwards; for direct grant, the maximum funding amount is \$1.5 million for the first year, \$0.7 million for the second year and \$0.5 million for the third year.

5. When deliberating the details of the Matching Grant Scheme, we have met with NSAs that have organised “M” Mark events in the past five years, and those with experience in organising major competitions. A questionnaire survey was also conducted to collect their views.

### *Proposed Initial Recommendations*

6. Having considered the views from stakeholders, we have reviewed the current “M” Mark System and made the following recommendations in relation to the Matching Grant Scheme to enhance support for the hosting of major sports events.

#### Increase in the funding level

7. Under the current “M” Mark System, no more than \$6 million of funding would be granted for an event. The funding level and arrangement hinges on whether the major sports event is a sustainable one. Most of the NSAs indicated that the current funding amount is insufficient to support their hosting of major events, and that events organised repeatedly year after year contribute no less than one-off world championships to local sports development. To provide better support and to simplify the funding arrangement, we recommend standardising the ceiling of matching fund to \$10

million for all events awarded with “M” Mark status and abolishing the sliding scale mechanism for the funding amount.

#### Expansion of the scope of funding

8. The current “M” Mark System provides support mainly to those major competitions of great significance in the international sports arena that are accredited by the relevant international sports federations. Nevertheless, constrained by the existing “M” Mark System, some world-class exhibition matches were unable to obtain funding support. To provide the public with more opportunities to watch high-level matches, we propose expanding the funding scope of the “M” Mark System to cover exhibition matches organised by local NSAs. These matches shall involve world-class athletes or teams, with a guaranteed attendance rate. With reference to the attendance rate for similar events<sup>2</sup>, we consider that the exhibition matches held in football pitches should attract at least 15 000 paid admissions per match while for events held in other venues, the accumulated paid admissions should be at least 8 000 per event. As the nature of exhibition matches differ from the current “M” Mark events, we will consult the Sports Commission to establish a separate set of assessment criteria and funding mechanism.

#### To enhance the flexibility in the use of event surplus

9. At present, when an NSA records surplus upon completion of an “M” Mark event, it may retain the amount solely for the purpose of hosting the same event in subsequent years. The surplus must be returned to the Government if it has not been deployed within two years. Under the Matching Grant Scheme, if a surplus is recorded upon completion of an event, NSAs are only required to retain 25% of the total cash funding as reserve fund for organising future “M” Mark events. To increase the flexibility in the use of such surplus to develop respective sports and to encourage NSAs to seek commercial and private sponsorships more actively, we recommend that if the amount of surplus exceeds 25% of the total amount of cash funding, the respective NSA may submit a proposal to HAB to set out how it plans to make use of the surplus (after deducting the reserve fund) for its sports development projects. Subject to the approval of HAB, the NSA may use the surplus

---

<sup>2</sup> Ticket sales for 2014 Kitchee vs Paris Saint-Germain and Hong Kong vs Argentina were 14 500 and 18 700 tickets respectively; 2016 AET International Challenge Cup: South China FT vs Juventus FC was about 12 200 tickets. Besides, for the 2017 Hong Kong Master (Billiard), the accumulated tickets sale was 11 400 for 4-day matches.

accordingly. All reserve fund must be returned to the Government if the respective NSA does not organise any “M” Mark event in four consecutive years.

### ***Financial Implications***

10. According to the above proposal and subject to the number of event applications received per year, we consider that the proposed allocation of \$500 million should be sufficient to meet the expenditure required under the Matching Grant Scheme in the coming five years. We will review the need to extend the Scheme in the light of its effectiveness.

### **District Sports Programmes Funding Scheme (Funding Scheme)**

#### ***Background of the Funding Scheme***

11. Promoting sports in the community is one of the three major objectives of the sports policy of the Government. Through promotion of community sports, we encourage more people to regularly participate in sports activities and help them develop a healthy lifestyle. To strengthen the promotion of sports at districts and to encourage wider participation, the Government announced in its Budget this year an allocation of \$100 million to launch the five-year Funding Scheme to provide additional resources for district sports associations (DSAs)<sup>3</sup> to organise more sports programmes, thereby building a strong sporting culture in the community.

#### ***Considerations***

##### **The role and advantages of DSAs**

12. DSAs in the 18 districts have been, since their establishment, playing an important role in promoting sports development at the district level. With local networks, DSAs have unique advantages in promoting sports in the community. Through encouraging people in different age groups with varied abilities and interests to actively take part in sports, DSAs can help enhance the overall sporting culture in our society. Currently, DSAs organises a wide variety of activities, including district sports festivals (e.g. Yuen Long District

---

<sup>3</sup> DSAs are those associations currently funded by the Home Affairs Department (HAD) under the Community Sports Subvention Scheme (CSSS). In 2017-18, there were totally 21 DSAs among the 18 districts in Hong Kong.

Sports Festival), sports fun days (e.g. Wan Chai Sports Carnival and Kwun Tong District Sports Carnival), squad trainings, competitions (e.g. New Territories Inter-district Football League), training courses, etc., covering a wide variety of sports including athletics, badminton, basketball, tennis, wushu and hiking etc. The programmes cater to the interests of people with different needs in the districts.

13. DSAs are also a cradle of athlete training and serve as the foundation for the development of elite sports. Most of the young athletes begin their pathway to sports by taking part in school or district sports activities. Encouraging DSAs to organise more district-based training programmes and competitions, children are encouraged to take up sports at an early stage. This will also help identify athletes with potential from districts to undergo progressive and systematic training. Under the existing mechanism, these athletes may be recommended to join different level of training squads to receive higher level of training and have a chance of becoming elite athletes.

#### Development of DSAs

14. At present, DSAs are receiving recurrent subvention from the HAD through the CSSS. In 2018-19, a total subvention of \$3 million has been allocated for DSAs to cover their administration and operation expenses. In addition, DSAs also obtain programmes funding mainly from District Council Funds, private donations and sponsorships. A summary of HAD subvention and District Council Funds received by DSAs in 2017-18 is set out in **Annex B**. District sports development is vital to the promotion of sports in the community. To encourage DSAs to organise a greater variety of sports programmes, it is necessary for us to provide additional resources to support their development in the long run.

#### ***Proposed Initial Recommendations of the Funding Scheme***

15. Owing to the difference in population, socio-economic situation, size of district and the demand for sports programmes, the funding amount under the Scheme will be subject to the applications submitted by individual DSAs rather than evenly shared by the 18 districts. We recommend that each project under the Funding Scheme may receive a total funding of not more than \$2.5 million.

16. The Funding Scheme will provide funding for DSAs to organise new sports programmes or expand the scale of existing programmes. The types of programmes may include training courses, leisure classes, competitions, sports festivals and sports fun days. The target participants are not limited to any age group, which may cover the elderly, women and children.

17. DSAs shall submit their applications to the HAB in the form of a proposal, which clearly sets out a detailed plan of programmes, expected outcomes, major deliverables, objectives and the approach of evaluating the effectiveness. Upon completion of activities, the subvented organisation must submit an activity report and a financial report, and evaluate the effectiveness in the promotion of sports in the community according to the measurable indicators set out in its proposal. The Funding Scheme is currently at its planning stage. After seeking Members' views, we will work out the funding guidelines and further consult DSAs and other stakeholders on the implementation details.

### ***Financial Implications***

18. It is recommended that an amount of \$100 million be allocated to launch the five-year Funding Scheme. We will review the need to extend the Funding Scheme in the light of its effectiveness.

### **Advice Sought**

19. Members are invited to comment on the above two funding allocation proposals. Subject to Members' views, we shall seek the approval of the Finance Committee accordingly.

**Home Affairs Bureau**

**June 2018**

## Summary of the “M” Mark System

<b>Objectives</b>	<ul style="list-style-type: none"> <li>● To instill a sustainable sporting culture, foster a sense of pride and social cohesion, and to bring tangible economic benefits to our community. Major sports events should also help enhance Hong Kong's image as Asia's sports events capital;</li> <li>● To help NSAs develop sustainable major sports events through greater participation and support from the commercial sector as well as the community at large; and</li> <li>● To support NSAs in securing and hosting one-off mega international sports events considered beneficial to the community.</li> </ul>	
<b>Target applicant</b>	National Sports Associations	
<b>Target event</b>	<p><b>Sustainable events</b></p> <ol style="list-style-type: none"> <li>a. Be of international significance to the sport(s) concerned and / or preferably featuring prominently at the final stage of their international calendar;</li> <li>b. Involve competition between teams and / or individuals outside Hong Kong, preferably representing a number of nations / regions;</li> <li>c. In the case of exhibition matches, with presence of top world-ranking players/teams that can attract significant public interest;</li> <li>d. Attract significant public interest, both locally and overseas, through spectator attendance and / or media coverage;</li> <li>e. Be suitable for participation of people of all ages and be able to contribute to the development of sporting culture and economy in the community; and</li> <li>f. Obtain a passing score of 80 marks out of 100.</li> </ol>	<p><b>World Championships or one-off/one-series Championships at equivalent level</b></p> <ol style="list-style-type: none"> <li>a. Sanctioned by the respective International Federation and be categorised as World Championships or of equivalent status in the sport with the participation of at least eleven countries / places (excluding Hong Kong) (minimum number of participating countries / regions will be waived for final tournament of one-off Championship);</li> <li>b. Involve participation of Hong Kong team(s) or athlete(s);</li> <li>c. Involve participation of one or more “top ten” world ranking team(s) or athlete(s);</li> <li>d. Attract significant public interest, both locally and overseas, through spectator attendance and/or media coverage;</li> <li>e. Be suitable for participation of people of all ages and being able to contribute to the development of sporting culture and economy in the community; and</li> <li>f. Obtain a passing score of 80</li> </ol>

		marks out of 100 and attain full marks for three of five designated vetting criteria as well as one less than full marks for the remaining two criteria.
<b>Details of support provided</b>	<p><b>Sustainable events</b></p> <p>a. Matching Fund</p> <ul style="list-style-type: none"> <li>• Up to the maximum amount of \$9 million in total for an event in its first three years;</li> <li>• No more than \$4 million in any of the first three years;</li> <li>• A ceiling of \$1.5 million matching fund each year from the fourth year.</li> </ul> <p>b. Direct Grant</p> <ul style="list-style-type: none"> <li>• For eligible items during the first three years of the event;</li> <li>• The maximum amount is on a sliding scale, <ul style="list-style-type: none"> <li>- 1<sup>st</sup> year: \$1.5 million</li> <li>- 2<sup>nd</sup> year: \$0.7 million</li> <li>- 3<sup>rd</sup> year: \$0.5 million or 70% of the total expenditure on eligible items for each year, whichever is the less.</li> </ul> </li> </ul> <p>c. One-off \$0.8 million Direct Grant for marketing (for new event in any one year of the first three years only);</p> <p>d. Interest-free Loan;</p> <p>e. Publicity and support package; and</p> <p>f. LCSD provides full subvention in terms of notional venue charges – including facilities hire charges, right fees, URBTIX charges and reimbursable charges for events that achieve a surplus of up to \$5 million.</p>	<p><b>World Championships or one-off/one-series Championships at equivalent level</b></p> <p>a. Matching Fund</p> <ul style="list-style-type: none"> <li>• Up to a maximum of \$6 million (for one-off championship); or</li> <li>• The grant is capped at a ceiling of \$6 million in their first years and \$1.5 million for each of the next two years and for subsequent years.</li> </ul> <p>b. Direct Grant A one-off direct grant for eligible items up to a maximum of \$6 million, or 70% of the total expenditure on eligible items, whichever is the less;</p> <p>c. Mix of Matching Fund and Direct Grant up to a maximum amount of \$6 million in total in the first year, or 70% of the total expenditure on eligible items, whichever is the less.</p> <p>d. One-off \$0.8 million Direct Grant for marketing (for new event)</p> <p>e. Publicity and support package; and</p> <p>f. LCSD provides full subvention in terms of notional venue charges – including facilities hire charges, right fees, URBTIX charges and reimbursable charges</p>
<b>No. of events supported</b>	One sustainable event plus one World Championships or one-off Championships or one-series Championships every year.	



### “M” Mark Events in 2017

No.	Event Name	Applicant	Approved Funding Support
1	Longines Hong Kong Masters (Equestrian)	Hong Kong Equestrian Federation	“M” Mark status only
2	Standard Chartered Hong Kong Marathon	Hong Kong Amateur Athletic Association	“M” Mark status only
3	Cathay Pacific/HSBC Hong Kong Sevens (Rugby)	Hong Kong Rugby Union	“M” Mark status only
4	UCI Track Cycling World Championships	The Cycling Association of Hong Kong, China	\$6.8 million
5	CCB (Asia) Hong Kong International Dragon Boat Races	Hong Kong China Dragon Boat Association	“M” Mark status only
6	WDSF GrandSlam Hong Kong (DanceSport)	Hong Kong DanceSport Association	\$1.5 million
7	FIVB Volleyball World Grand Prix – Hong Kong presented by Watsons	Volleyball Association of Hong Kong, China	\$1.5 million
8	Prudential Hong Kong Tennis Open	Hong Kong Tennis Association	“M” Mark status only
9	New World Harbour Race	Hong Kong Amateur Swimming Association	“M” Mark status only
10	ICF Canoe Ocean Racing World Championships – Hong Kong	Hong Kong Canoe Union	\$4.69 million
11	Cathay Pacific Sun Hung Kai Financial Hong Kong Squash Open	Hong Kong Squash	\$1.5 million
12	YONEX-SUNRISE Hong Kong Open Badminton Championships, part of the MetLife BWF World Superseries	Hong Kong Badminton Association	“M” Mark status only
13	UBS Hong Kong Open (Golf)	Hong Kong Golf Association	“M” Mark status only

**Annex B**

**Summary of funding received by DSAs under  
the Community Sports Subvention Scheme (CSSS) of the Home Affairs  
Department and  
District Council Funds for Community Involvement Projects (CI Funds)  
in 2017-18**

<b>District Sports Association</b>	<b>Amount received from CSSS (\$ million) <sup>1</sup></b>	<b>Amount received from CI Funds (\$ million)</b>
1. Central & Western District Recreation & Sports Association	0.135	0.92
2. Eastern District Recreation & Sports Advancement Association Limited	0.135	0.82
3. Kowloon City District Recreation and Sports Council Limited	0.135	0.70
4. Kwun Tong Sports Promotion Association Limited	0.135	0.74
5. Sham Shui Po Sports Association Limited	0.135	1.31
6. Southern District Recreation and Sports Association Ltd.	0.135	0.64
7. Wan Chai District Arts, Cultural, Recreational & Sports Association Limited	0.034	0.77
8. Wan Chai Sports Federation	0.101	0.24
9. Wong Tai Sin District Recreation & Sports Council	0.135	1.41
10. Mongkok District Cultural Recreation & Sports Association Ltd.	0.135	0.53
11. Yaumatei and Tsimshatsui Recreation & Sports Association Ltd.	0.135	0.37
12. Islands District Sports Association	0.135	0.18
13. Kwai Tsing District Sports Association Limited	0.135	0.48
14. North District Sports Association Limited	0.135	0.55
15. Sai Kung District Sports Association Ltd.	0.135	0.66
16. Sha Tin Sports Association Ltd.	0.135	2.26
17. Tai Po Sports Association Ltd.	0.135	1.39
18. The Federation of Tsuen Wan District Sports & Recreation Association Ltd.	0.135	0.93
19. Tuen Mun Sports Association Limited	0.135	0.98
20. Yuen Long District Sports Association Ltd	0.135	1.65
21. The New Territories Regional Sports Association	0.135	0
<b>Total</b>	<b>2.70</b>	<b>17.53</b>

<sup>1</sup> The upper limit of the subvention was set at \$120,000 in 2016-17, which was increased to \$150,000 in October 2017 with immediate effect.