

## ITEM FOR FINANCE COMMITTEE

### HEAD 53 – GOVERNMENT SECRETARIAT: HOME AFFAIRS BUREAU

#### Subhead 700 General non-recurrent

#### Funding Support for Sports Development

#### New Item “Major Sports Events Matching Grant Scheme”

#### New Item “Injection into Arts and Sport Development Fund (Sports Portion)”

#### New Item “Injection into Elite Athletes Development Fund”

#### New Item “District Sports Programmes Funding Scheme”

Members are invited to approve –

- (a) a new commitment of \$500 million for the implementation of the Major Sports Events Matching Grant Scheme;
- (b) a new commitment of \$1 billion for injection into the Arts and Sport Development Fund (Sports Portion);
- (c) a new commitment of \$6 billion for injection into the Elite Athletes Development Fund; and
- (d) a new commitment of \$100 million for the implementation of the District Sports Programmes Funding Scheme.

### PROBLEM

To promote the long-term development of sports, we need additional resources to introduce funding schemes to support the staging of more major sports events and district sports activities; to provide sustainable funding support for sports projects through the Arts and Sport Development Fund (ASDF) (Sports Portion); and to enable the Hong Kong Sports Institute (HKSI) to provide sustained support for elite athletes through the Elite Sports Development Fund (EADF).

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**PROPOSAL**

2. The Secretary for Home Affairs (SHA) proposes to create in 2018-19 –
- (a) a new commitment of \$500 million for the implementation of the Major Sports Events Matching Grant Scheme (Matching Grant Scheme);
  - (b) a new commitment of \$1 billion for injection into the ASDF (Sports Portion);
  - (c) a new commitment of \$6 billion for injection into the EADF; and
  - (d) a new commitment of \$100 million for the implementation of the District Sports Programmes Funding Scheme (District Funding Scheme).

**JUSTIFICATION****Continuous promotion and implementation of sports policy objectives**

3. The Government attaches great importance to sports development. In recent years, the number of people participating in major sports events and community sports activities is rising, and the overall performance of Hong Kong athletes has improved significantly. To continuously promote sports in the community, support elite sports and develop Hong Kong into a centre for major international sports events, we need to allocate additional resources to support the long-term development of sports.

**The Matching Grant Scheme***The “M” Mark System and its operation*

4. To develop Hong Kong as a prime destination for hosting major international sports events, the Government introduced the “M” Mark System in 2004 to support local “national sports associations” (NSAs) to host major sports events through the ASDF (Sports Portion) by providing a matching fund (i.e. a dollar-for-dollar matching grant provided to the event organiser) and a direct grant. Details are set out at Enclosure 1. In 2018, the “M” Mark System spent around \$11 million in support of 12 major sports events.

Encl. 1

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5. Both the number and the scale of sports events held in Hong Kong in recent years have continued to grow. Apart from the continued support of direct grant from the ASDF (Sports Portion), we recommend introducing a new Matching Grant Scheme to increase the current amount of the matching fund provided for “M” Mark events and expand the scope of funding. This will encourage more sponsorship from business and private sectors to support NSAs in bringing more major sports events to be staged in Hong Kong.

*Increasing the matching fund under the “M” Mark System*

6. We have consulted various stakeholders on the new Matching Grant Scheme. Most NSAs reflect that the current funding amount under the “M” Mark System (i.e. from \$1.5 million to \$6 million for each event) is insufficient. To provide better support and to simplify the funding arrangements, we recommend standardising the ceiling of matching fund to \$10 million for each event under the new Matching Grant Scheme as well as abolishing the sliding scale mechanism for the funding amount under the “M” Mark System (as detailed in Enclosure 1).

*Expanding the scope of funding under the “M” Mark System*

7. The current “M” Mark System provides support mainly to NSAs in staging major events of great significance in the international sports arena and accredited by the relevant international sports federations. To bring more high-level competitions to Hong Kong to benefit the local community, we propose expanding the funding scope of the “M” Mark System to cover competitions that are organised by NSAs, involve world-class athletes and can attract a huge audience. With reference to the attendance rate for similar events, we consider that the minimum requirement for exhibition matches held in a football stadium should attract at least 15 000 paid admissions per match day, whereas events held in other venues should attract at least 8 000 accumulated paid admissions per event.

*Enhancing the flexibility in the use of event surplus*

8. At present, NSAs may use the surplus from an “M” Mark event organised in a particular year only to host the same event in subsequent years. The surplus must be returned to the Government if it has not been deployed within two years. To enhance the flexibility in the use of such surplus, the respective NSA will be required under the proposed Matching Grant Scheme to retain only 25% of the total amount of cash funding<sup>1</sup> as reserve fund for organising future

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<sup>1</sup> Cash funding excludes venue subsidy by the Leisure and Cultural Services Department (LCSD) (i.e. notional venue charges), reimbursement of direct grant for marketing and venue subvention.

“M” Mark events. Any surplus that exceeds the 25% requirement may be deployed by the NSA for sports development projects subject to the approval of the Home Affairs Bureau (HAB). To obtain HAB’s approval, the NSA must submit a proposal to set out how it plans to make use of the surplus (after deducting the reserve fund). This arrangement will increase the flexibility in the use of event surplus to develop respective sports and encourage NSAs to seek commercial sponsorships more actively. Alternatively, NSAs may also save all surplus to the reserve fund. All reserve fund must be returned to the Government if the respective NSA does not organise any “M” Mark event in four consecutive years (as opposed to two years at present).

## **The ASDF**

### *Funding under the ASDF (Sports Portion)*

9. The Government is committed to promoting sports in the community, supporting elite athletes and developing Hong Kong into a centre for major international sports events. The ASDF (Sports Portion) was established in January 1997 with an initial injection of \$140 million, followed by three injections totalling \$1.63 billion with the last one made in July 2010. Between July 2010 and March 2018, it funded 815 sports projects with a total approved amount of about \$718 million. The main categories of projects supported are as follows –

- (a) supporting athletes to prepare for and participate in major international games, including the 2012 London and 2016 Rio Olympic Games and Paralympic Games, the 2010 Guangzhou, 2014 Incheon and 2018 Jakarta Asian Games and Asian Para Games, the 2017 Summer Universiade, as well as the National Games and competitions of different sports at world and Asian levels;
- (b) hosting international sports events locally by NSAs and other sports organisations, including “M” Mark events and major international sports events, such as the FIVB Volleyball Nations League, the Hong Kong Open Badminton Championships and the Hong Kong Squash Open;
- (c) upgrading school and district-level programmes to promote community participation in sports, including the implementation of the Student Athlete Support Scheme and the School Sports Programme Coordinator Scheme;

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- (d) supporting schemes for the development of local football in accordance with the recommendations of the Football Task Force, including the Project Phoenix and the Hong Kong Football Association's five-year strategic plan; and
- (e) launching in January 2018 the Five-Year Development Programme for Team Sports covering eight team sports featured in the Asian Games, namely baseball, basketball, handball, hockey, ice hockey, softball, volleyball and water polo, with the aim of enhancing the performance of team sports progressively and increasing their chances of attaining elite sports status in the future.

10. Since the injection in 2010, the amount of funding approved under the ASDF (Sports Portion) per year has increased considerably from about \$83 million in 2011-12 to about \$115 million in 2017-18, representing an increase of over 38%. As at mid-October 2018, the balance of the ASDF (Sports Portion) was around \$1.41 billion. A summary of the funded projects and their respective amounts of approved funding in the past three financial years is at Enclosure 2.

Encl. 2

#### *Operation of the ASDF*

11. The ASDF is a sub-fund of the Sir David Trench Fund for Recreation (SDTFR)<sup>2</sup> established under the Sir David Trench Fund for Recreation Ordinance (Cap. 1128). The Director of Accounting Services is the statutory trustee of the SDTFR and is responsible for managing the relevant investment and accounting work. As required by the above Ordinance, the Government set up the SDTFR Investment Advisory Committee to formulate investment strategies for the SDTFR and its sub-funds and to advise on matters in relation to investment. The existing statutory framework will not be affected by the injection into the SDTFR or its sub-funds.

12. The ASDF has all along been adopting a prudent strategy to diversify its investment to strike a balance between investment returns and risks. When the injection was made in 2010, our objective was to keep the capital base of the fund intact in the long run and to provide funding support to sports projects approved by SHA with the annual investment return. If the investment return and the accumulated surplus are inadequate to meet the funding needs in a particular year, SHA could authorise the use of part of the capital base of the ASDF to ensure that the efforts to promote sports, culture and arts would not be disrupted by short-term fluctuations in the investment markets.

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<sup>2</sup> The SDTFR is a statutory fund established under the Sir David Trench Fund for Recreation Ordinance for the purpose of providing facilities for recreational, sporting, cultural and social activities, and of supporting other measures that can help achieve this purpose. It is now held in trust by the Director of Accounting Services and administered by SHA.

*Injection into and use of the ASDF (Sports Portion)*

13. From 2011-12 to 2017-18, the accumulated return of the ASDF (Sports Portion) was able to meet only around 60% of the funding needs of sports projects. Since end-2015, we need to delve into the \$1.5 billion capital base<sup>3</sup> of the sports portion from time to time. Based on the pattern of grant approval in the past, we conservatively estimate that on average about \$140 million would be required annually in the coming five years to support the aforementioned sports projects. However, the amount required may be higher due to new funding needs. Assuming an average annual investment return rate of 4% in the long run and no injection were to be made, the ASDF (Sports Portion) may only generate an annual investment return of around \$60 million. Therefore, an injection into the ASDF (Sports Portion) is necessary to generate more investment returns and sustain the support for the development of sports projects.

14. To increase the flexibility in the use of funds, the future use of the ASDF (Sports Portion) should not be limited to its investment returns, such that the capital base could also be used to provide funding support for worthwhile sports projects once approved by SHA. Although there is currently no practical need to use the capital base of the ASDF (Arts Portion), in order to increase the flexibility in the support of art projects, the use of the ASDF (Arts Portion) should also not be limited to its investment returns.

**The EADF***Development of elite sports*

15. Established on 1 October 2004, the Hong Kong Sports Institute Limited is tasked to operate and manage the HKSI, which is the delivery agent of the Government's elite sports training system. The objectives of the Hong Kong Sports Institute Limited and the composition of its Board of Directors are at Encl. 3 & 4 Enclosures 3 and 4 respectively.

16. The HKSI provides support to eligible elite sports as well as financial support and other support services (such as sports science and sports medicine, strength and conditioning, accommodation and meals, education support, as well as dual career and personal development support) to elite athletes. The programmes and support services provided by the HKSI to athletes are at Encl. 5 Enclosure 5. As at September 2018, the total number of elite athletes at the HKSI was 1 248. The elite sports and the number of HKSI scholarship athletes are set out at Encl. 6 Enclosure 6.

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<sup>3</sup> In July 2010, the Finance Committee (FC) of the Legislative Council approved an injection of \$3 billion into the ASDF as seed money, of which \$1.5 billion was for the sports portion.

17. In recent years, the overall performance of Hong Kong athletes has improved greatly and their achievements in various sports have been remarkable. The Hong Kong representative teams won a record-breaking total of 46 medals (including eight gold, 18 silver and 20 bronze) in the 2018 Asian Games, of which a total of 42 medals (including eight gold, 16 silver and 18 bronze) were attained by 95 elite athletes of the HKSI. We have athletes with top ten world rankings in badminton, cycling, table tennis, windsurfing, billiard sports, fencing, karatedo and squash. Our junior athletes also won medals at world championships in billiard sports, fencing and wushu. The majority of potential medallists in major competitions are full-time athletes. It is only through long-term and comprehensive support that we can help our elite athletes maintain a high level of performance in major international competitions.

#### *Funding under the EADF*

18. The EADF provides a stable financial source of income for the HKSI to meet the increasing demand for support services from various sports. In 2018-19, the Government will allocate, through the EADF, a funding of \$596 million to the HKSI, representing an increase of about 14.6% from the previous year, or an increase of more than 212% over the year of 2011-12. The funding allocation from the EADF accounts for over 90% of the income of the HKSI, with the remaining income coming from the Hong Kong Jockey Club Elite Athletes Fund<sup>4</sup>, other sponsorships and donations. The financial projection of the HKSI for the period from 2018-19 to 2022-23 is at Enclosure 7.

Encl. 7

19. Since the establishment of the EADF, the operational expenditure of the HKSI has been growing on average by over 10% annually due to the following reasons –

- (a) *significant increase in the number of full-time elite athletes* – the number of full-time elite athletes at the HKSI has increased from 195 in 2011-12 to 480 in 2018-19, representing an increase of about 146%. The EADF provides constant and stable financial support for the HKSI to strengthen its long-term support to elite athletes, including the support for their dual career and personal development, so as to attract more potential athletes to engage in full-time elite sports training and enhance the performance of the relevant Hong Kong teams;

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<sup>4</sup> The Hong Kong Jockey Club Elite Athletes Fund was established in 2004 mainly to provide cash awards through the Athlete Incentive Awards Scheme to Hong Kong athletes who have put in outstanding performance at the six major games, namely the Olympic Games, the Paralympic Games, the Asian Games, the Asian Para Games, the National Games and the World University Games (i.e. the Universiade). The Fund also supports the Hong Kong Coach Education Programme which includes the Coach Accreditation Programme, the Continuing Coach Education Programme, the School Coach Education Programme and the Hong Kong Coaching Awards.

- (b) *increase in the number of elite sports* – the number of Tier A\*/A sports<sup>5</sup> increased from 15 in 2011-12 to 19 in 2018-19, while the number of Tier B sports increased from four to 13 over the same period. Over half of the 60 NSAs receiving subvention from LCSD have elite athletes receiving additional support and/or funding from the HKSI for elite training purposes; and
- (c) *increased expenditure on the maintenance and upkeep of facilities in the HKSI* – the construction floor area of the HKSI tripled from about 26 000 square metres to about 78 000 square metres when the HKSI Redevelopment Project was substantially completed in 2014-15. The HKSI is required to manage and maintain these state-of-the-art facilities properly to tie in with its provision of professional elite sports training.

20. The HKSI must continue to enhance its support for elite athletes in the light of keen competition in the international sporting arena. We therefore anticipate that the HKSI will continue to increase its operational expenditure in the coming few years for the following purposes –

- (a) *establishing a critical mass of elite athletes* – a critical mass of elite athletes is crucial for the sustainable development of elite sports in Hong Kong. The HKSI expects that the number of full-time athletes will increase to 500 in 2019-20;
- (b) *focusing on the development of junior elite athletes* – EVSS updated in October 2017 takes into account the best results of the top three junior elite athletes, instead of two in the past, to encourage NSAs to focus more on the training of junior athletes. This helps ensure the sustainable development of elite sports in Hong Kong. The number of full-time junior athletes at the HKSI has increased significantly by 40% from 81 in 2016-17 to 113 in 2018-19;
- (c) *enhancing support significantly in sports science and sports medicine* – the outstanding achievements of Hong Kong athletes hinge on the provision of professional training and support services. As quite a number of Hong Kong athletes have successfully attained higher world rankings, the relevant sports science and sports medicine support services become more crucial in enhancing the effectiveness of training, avoiding injuries and enabling speedy

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<sup>5</sup> Tier A\*/A sports and Tier B sports are selected under the Elite Vote Support System (EVSS). The achievements of both senior and junior athletes at major international competitions will be reviewed under the EVSS.



recovery after competitions for athletes. In November 2017, the HKSI signed a Memorandum of Understanding with Team China of Chinese Olympic Committee of the General Administration of Sport of China for closer collaboration in sports science and sports medicine. The HKSI has also embarked on sports science studies in collaboration with local universities. As for elite sports training, the HKSI continues to enhance its support in sports science and is rolling out dedicated medical support for elite sports; and

- (d) *supporting the development of elite sports for the disabled* – the Government launched the Pilot Scheme for EVSS for Disability Sports in December 2017 to introduce a full-time athlete system for disability sports. At present, a total of 50 athletes are participating in the Pilot Scheme, of whom 28 are full-time athletes. We are reviewing the Pilot Scheme by drawing on the experience gained up to the time of the 2018 Asian Para Games and will consult the Sports Commission (SC) on the formulation of an EVSS for disability sports to provide comprehensive training programmes and support for elite athletes with disabilities. The membership list and terms of reference of the SC are at Enclosure 8.

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#### *Operation of the EADF*

21. The EADF was set up in 2012 with an injection amount of \$7 billion. Of that amount, \$6 billion was deposited with the Hong Kong Monetary Authority (HKMA) for investment return. SHA, having considered the views of the SC, may authorise the use of part of the capital base of the EADF to meet the immediate needs of the HKSI. This allows the Government to deploy resources to ensure the continued operation of the HKSI without disruption even when the investment return earned is insufficient to meet the operational needs of the HKSI. As at the end of October 2018, the balance of the EADF was around \$5.79 billion, of which \$5.19 billion was placed with the HKMA and the remaining \$0.6 billion was deposited with local banks.

22. The accumulated return of the EADF from 2012-13 to 2017-18 was sufficient to meet only around 68% of the funding requirements of the HKSI during the same period. Assuming that the long-term average rate of investment return is 4% annually, the EADF may only generate around \$230 million of annual investment income, which can only cover about 39% of the Government's funding to the HKSI from the EADF in 2018-19. Therefore, an injection into the EADF is needed to generate more investment income to sustain the support for the development of elite sports.

23. Government representatives oversee the operation of the HKSI in their capacity as members of the board of directors of the HKSI and its committees. The HKSI is required to submit annual plans and budgets to the SC for consideration before the allocation of funding is approved by SHA. The HKSI is also required to sign a deed of undertakings with HAB annually, which prescribes the performance levels to be achieved and the operational requirements to be met.

## **The District Funding Scheme**

### *The role and advantages of District Sports Associations (DSAs)*

24. DSAs<sup>6</sup> in the 18 districts play 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 help enhance the overall sporting culture in society. Currently, DSAs organise a wide variety of activities, including district sports festivals (e.g. Yuen Long District 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 various sports such as athletics, badminton, basketball, tennis, wushu and hiking, for participation of people in different districts.

25. 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. By encouraging DSAs to organise more district-based training programmes and competitions, children are encouraged to take up and enjoy sports at an early stage. This also helps 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.

26. At present, DSAs are receiving recurrent subvention from HAD through the Community Sports Subvention Scheme (CSSS). In 2018-19, a total subvention of \$3 million has been allocated for DSAs to cover their administrative and operating expenses. In addition, DSAs also obtain programme funding from

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<sup>6</sup> DSAs are associations currently funded by the Home Affairs Department (HAD) under the Community Sports Subvention Scheme. In 2017-18, there were totally 21 DSAs among the 18 districts in Hong Kong.

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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 at Enclosure 9. District sports development is vital to the promotion of sports in the community. In order to encourage DSAs to organise a greater variety of sports programmes, we need to provide additional resources to launch a five-year District Funding Scheme to support their development. At the end of the five-year term, we will review the effectiveness of the District Funding Scheme and the response from DSAs in determining the way forward.

### *Operation of the District Funding Scheme*

27. Owing to the difference in population, socio-economic situation, size of district and the demand for sports programmes, the funding allocation under the District Funding Scheme depends on applications submitted by individual DSAs rather than evenly shared by the 18 districts. Having regard to the scale and expenditure of programmes currently being organised by DSAs, we recommend that each project under the District Funding Scheme may receive a total funding of not more than \$2.5 million. The total amount of funding required per year is roughly estimated to be \$20 million.

28. The District 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 may cover people of all age groups.

29. DSAs shall submit their applications to HAB and the relevant proposal should clearly set out a detailed plan of programmes. Upon completion of activities, DSAs must submit an activity report and evaluate the effectiveness in the promotion of sports in the community according to measurable indicators set out in its proposal. Subject to the FC's approval of the funding proposal, we will work out the funding guidelines and further consult DSAs and other stakeholders on the implementation details. The District Funding Scheme is expected to be launched in the first quarter of 2019.

## **FINANCIAL IMPLICATIONS**

### **The Matching Grant Scheme**

30. We propose a one-off allocation of \$500 million in 2018-19 for the launch of the Matching Grant Scheme under the "M" Mark System. In light of the current number of "M" Mark events hosted every year, we estimate that

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nine out of the 11 sustainable “M” Mark events will apply for the matching fund. Furthermore, we expect there will be two to four new events every year. The funding of \$500 million will at least be sufficient to meet the expenditure under the Matching Grant Scheme in the coming five years. We will review the effectiveness of the Scheme and the response from NSAs from time to time to facilitate the NSAs to bid the hosting right for major international sports events. The relevant five-year funding estimate is at Enclosure 10. The additional workload arising from the implementation of the Scheme will be absorbed by HAB and LCSD.

**Injection into the ASDF (Sports Portion)**

31. We propose a one-off injection of \$1 billion into the ASDF (Sports Portion) in 2018-19. The workload arising from the administration and operation of the ASDF will continue to be absorbed by HAB, LCSD and the Treasury.

**Injection into the EADF**

32. We propose a one-off injection of \$6 billion into the EADF in 2018-19. The administration cost and additional workload arising from the operation of the EADF will be absorbed by HAB.

**The District Funding Scheme**

33. We propose a one-off allocation of \$100 million in 2018-19 for the launch of the five-year District Funding Scheme. We expect the funding can sustain the operation of the District Funding Scheme for five years up to 2023-24, although it is difficult to estimate accurately the number of applications to be received and approved. A rough estimate of the cash flow requirements is as follows –

Financial Year	2019-20	2020-21	2021-22	2022-23	2023-24	Total
(\$ million)	20	20	20	20	20	100

34. The additional workload and administrative expenses arising from the implementation of the District Funding Scheme will be absorbed from within HAB’s existing resources.

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## **PUBLIC CONSULTATION**

35. We consulted the Legislative Council Panel on Home Affairs (the Panel) on the above items on 28 May and 25 June 2018. Members did not object to the submission of the proposals to the FC. To address Member's queries on the "M" Mark System and the ASDF (Sports Portion), we have provided supplementary information and written response to the Panel on 4 October and 21 November 2018 respectively.

## **BACKGROUND**

36. The Financial Secretary announced in the 2018-19 Budget an allocation of \$500 million to implement a Matching Grant Scheme, an injection of \$1 billion into the ASDF (Sports Portion), an injection of \$6 billion into the EADF and an allocation of \$100 million to launch the five-year District Funding Scheme.

37. With the approval of the FC in January 1997, the ASDF was set up as a sub-fund under the SDTFR to support worthwhile projects to promote the development of the arts and sports in Hong Kong. The amounts allocated to the arts and sports portions of the ASDF were \$160 million and \$140 million respectively. In January 2007, February 2009 and July 2010, the FC approved further three injections into the ASDF, and the amounts were \$80 million (\$40 million each for the arts and sports portions), \$150 million (\$60 million for the arts portion and \$90 million for the sports portion) and \$3 billion (\$1.5 billion each for the arts and sports portions) respectively.

38. With the approval of the FC in July 2011, the EADF was set up with an injection of \$7 billion to provide a stable source of income for the HKSI.

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**Enclosure 1 to FCR(2018-19)69**

**“M” Mark Events**

<b>Item</b>	<b>Sustainable events</b>	<b>World Championships or one-off/one-series Championships at equivalent level</b>
<b>Administered by</b>	Home Affairs Bureau	
<b>Target Applicant</b>	National Sports Associations (NSAs)	
<b>Target Event</b>	<p>a. Be of international significance to the sport(s) concerned and/or preferably featuring prominently at the final stage of their international calendar;</p> <p>b. Involve competition between teams and/or individuals outside Hong Kong, preferably representing a number of nations/regions;</p> <p>c. In the case of exhibition matches, with presence of top world-ranking players/teams that can attract significant public interest;</p> <p>d. Attract significant public interest, both locally and overseas, through spectator attendance and/or media coverage;</p> <p>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;</p>	<p>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);</p> <p>b. Involve participation of Hong Kong team(s) or athlete(s);</p> <p>c. Involve participation of one or more “top ten” world ranking team(s) or athlete(s);</p> <p>d. Attract significant public interest, both locally and overseas, through spectator attendance and/or media coverage;</p> <p>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;</p>

Item	Sustainable events	World Championships or one-off/one-series Championships at equivalent level
	<p>f. Applications normally submitted by NSAs; and</p> <p>g. Obtain a passing score of 80 marks out of 100.</p>	<p>f. Applications normally submitted by NSAs; and</p> <p>g. Obtain a passing score of 80 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.</p>
<b>Support provided</b>	<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 – <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>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</p> <ul style="list-style-type: none"> <li>• 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;</li> </ul> <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</p>

Item	Sustainable events	World Championships or one-off/one-series Championships at equivalent level
	<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. Leisure and Cultural Services Department (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>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>
<p><b>No. of Events to be Supported for each NSA</b></p>	<p>One sustainable event and (a) one World Championship; or (b) one-off/one-series Championship at equivalent level every year.</p>	



**“M” Mark Events in 2018**

<b>No.</b>	<b>Event Name</b>	<b>Organiser</b>	<b>Funding Approved</b>
1	Standard Chartered Hong Kong Marathon 2018	Hong Kong Amateur Athletic Association	“M” Mark status only
2	Hong Kong Stopover of Volvo Ocean Race 2017-18	Hong Kong Sailing Federation	“M” Mark status only
3	LONGINES Masters of Hong Kong 2018	Hong Kong Equestrian Federation	“M” Mark status only
4	Cathay Pacific/HSBC Hong Kong Sevens 2018	Hong Kong Rugby Union	“M” Mark status only
5	FIVB Volleyball Nations League 2018 – HK presented by China Life (Overseas)	Volleyball Association of Hong Kong, China	\$3.80 million
6	2018 CCB (Asia) Hong Kong International Dragon Boat Races	Hong Kong China Dragon Boat Association	“M” Mark status only
7	Prudential Hong Kong Tennis Open 2018	Hong Kong Tennis Association	“M” Mark status only
8	New World Harbour Race 2018	Hong Kong Amateur Swimming Association	“M” Mark status only
9	YONEX-SUNRISE Hong Kong Open Badminton Championships 2018 part of the HSBC BWF World Tour Super 500	Hong Kong Badminton Association	“M” Mark status only
10	Everbright Sun Hung Kai Hong Kong Squash Open 2018	Hong Kong Squash	\$1.50 million
11	Honma Hong Kong Open 2018	Hong Kong Golf Association	“M” Mark status only
12	2018 CGSE• Million Tinkle World Men Championships	Hong Kong Tenpin Bowling Congress	\$5.53 million

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**Arts and Sport Development Fund (Sports Portion)**  
**Breakdown of Approved Sports Projects by Type**  
**(from 1 April 2015 to 31 March 2018)**

Type of Projects <sup>1</sup>	Number of Projects	Amount Approved (\$ million)
(a) Supporting athletes to prepare for major international and national games	29	49.53
(b) Supporting athletes to participate in major international and national games	31	56.96
(c) Hosting international sports events locally (including “M” Mark events and major international sports events)	313 <sup>2</sup>	105.93
(d) Upgrading school and district-level programmes	2	31.09
(e) Developing local football	6	80.42
(f) Five-Year Development Programme for Team Sports	1	3.53
(g) Other projects	1	5.49
<b>Total</b>	<b>383</b>	<b>332.95</b>

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<sup>1</sup> Part of the funding approved under types (a) and (b) includes the support for team sports to prepare for and participate in international and inter-continental competitions.

<sup>2</sup> Including 242 locally held international events, 49 major international events and 22 “M” Mark events.

**Hong Kong Sports Institute Limited**

**Objectives**

1. To provide an environment in which talented Hong Kong sportsmen and sportswomen have the opportunity to achieve at the highest level in sport and advancement in sports education.
2. To be a delivery agent in the provision of high performance sport for talented sportsmen and sportswomen in Hong Kong, under the policy direction of the Secretary for Home Affairs, enabling them to achieve international success so as to enhance the reputation of Hong Kong and benefit the community of Hong Kong.
3. To formulate and prepare schemes for and establish and take all necessary steps for the promotion, maintenance, improvement and advancement of the interest of the public in Hong Kong and elsewhere in elite sports and various related forms.
4. To work closely with the Sports Federation and Olympic Committee of Hong Kong, China and “national sports associations” (NSAs) or other organisations of similar nature in the education, training and developing of Hong Kong talented sportsmen and sportswomen to achieve success in major games and international sporting events.
5. To work closely with the NSAs and other bodies in the identification of talents for elite sports training.
6. To co-operate with different sectors of the community, education and sports training institutions, both local and in other places, in the delivery of elite sports training programmes.
7. To assist athletes under training in the Hong Kong Sports Institute in their education and vocational training and their longer term personal and career development.
8. To provide sports science and sports medicine services to elite athletes and coaches, catering for the needs of the athletes undergoing their sports training programmes.

9. To facilitate and sponsor elite sport-related research and studies; and to educate, disseminate knowledge and advice on these matters to the sports community for the enhancement of high performance sport.
10. To provide sports information service to meet the needs of athletes, coaches, NSAs, physical education specialists and sports science and sports medicine professionals.
11. To provide coach education and development, coach accreditation and coach registration.
12. To promote the exchange of information, experience, international understanding and goodwill in elite sport education and training.

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**Hong Kong Sports Institute Limited**

**Board of Directors  
(1 April 2017 – 31 March 2019)**

- Chairman : Dr LAM Tai-fai
- Vice-Chairman : Mr Michael LEE Tze-hau  
Mrs Jenny FUNG MA Kit-han
- Directors : Ms Amy CHAN Lim-chee  
Mr CHEW Fook-aun  
Mr Kenneth FOK Kai-kong  
Ms Denise HO Suk-chun  
Mr HUI Yung-chung  
Mr Karil KWOK Chi-leung  
Hon MA Fung-kwok  
Ms Genevieve PONG Chung-yi  
Mr Newman TSANG Yiu-man  
Dr Michael TSE  
Mr Albert WONG Hak-keung  
Professor Anna WONG Wai-kwan  
Mr Richard YUEN Ming-fai  
Mr YEUNG Tak-keung  
Mr Paul CHENG Ching-wan  
(as alternate director to Mr YEUNG Tak-keung)  
Ms Ida LEE Bik-sai  
Ms Rebecca LOU Wai-yi  
(as alternate director to Ms Ida LEE Bik-sai)
-

**Hong Kong Sports Institute (HKSI)**

**Programmes and Services Provided to Athletes**

**(A) Direct financial support**

- Elite Training Grant
- Sports Aid Grant for Athletes with Disabilities
- Individual Athletes Support Scheme for athletes in non-elite sports
- Sports Aid Grant
- Special Incentive Fund for athletes who win medals in major competitions
- Incentive Awards for Major Games (including the Olympic Games, Asian Games, World University Games, National Games, Paralympic Games and Asian Para Games)
- Outstanding Junior Athletes Awards for athletes aged below 19
- Hong Kong Athletes Fund – Education Grant for full-time and short-term courses, and subsistence allowance for eligible retired athletes
- Hong Kong Athletes Fund – Youth Scholarship Award Scheme for junior athletes who win medals at major youth games such as the Youth Olympic Games

**(B) Support for athlete training and competition**

- Coaching support
- Local training programmes
- Overseas training and competitions
- Sports equipment
- Accident, travel, life and medical insurance
- Training facilities
- Sports science and sports medicine support
- Strength and Conditioning training support

**(C) Other services**

- Support to athletes to pursue higher education
- Enhanced Athletes Educational and Vocational Development Programme
- Athlete hostel
- Athlete restaurant with provision of free meals
- Free parking space at the HKSI
- Sports Information and External Affairs Centre

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**Elite Sports and the Number of Athletes Supported by the  
Hong Kong Sports Institute (HKSI) in 2018-19**

Sports		Number of HKSI-Supported Athletes
<b>Tier A*</b>		
1.	Badminton	94
2.	Cycling	60
3.	Table Tennis	49
4.	Windsurfing	34
	Subtotal:	237
<b>Tier A</b>		
1.	Athletics	81
2.	Billiard Sports	36
3.	Fencing	80
4.	Gymnastics	56
5.	Karatedo	51
6.	Rowing	55
7.	Rugby (Sevens)	82
8.	Sailing	32
9.	Skating	31
10.	Squash	36
11.	Swimming	96
12.	Tennis	25
13.	Tenpin Bowling	31
14.	Triathlon	20
15.	Wushu	73
	Subtotal:	785
<b>Tier B</b>		
1.	Dance Sports	0
2.	Dragon Boat	0
3.	Equestrian	6
4.	Golf	8
5.	Judo	12
6.	Karting	0
7.	Lawn Bowls	0
8.	Lifesaving	0
9.	Mountaineering	6
10.	Orienteering	0
11.	Roller Sports	0
12.	Shuttlecock	0
13.	Taekwondo	11
	Subtotal:	43

<b>Sports</b>		<b>Number of HKSI-Supported Athletes</b>
<b>Other Sports</b>		
1.	Archery	0
2.	Canoe	3
3.	Cricket	0
4.	Beach Volleyball	2
	Subtotal:	5
<b>Disabled Sports</b>		
1.	HKSAPID – Athletics	19
2.	HKSAPID – Swimming	12
3.	HKSAPID – Table Tennis	16
4.	HKPC&SAPD – Athletics	25
5.	HKPC&SAPD – Badminton	10
6.	HKPC&SAPD – Boccia	25
7.	HKPC&SAPD – Dance	5
8.	HKPC&SAPD – Fencing	16
9.	HKPC&SAPD – Lawn Bowls	6
10.	HKPC&SAPD – Shooting	1
11.	HKPC&SAPD – Swimming	10
12.	HKPC&SAPD – Table Tennis	17
13.	HKPC&SAPD – Tenpin Bowling	15
14.	HKPC&SAPD – Triathlon	1
	Subtotal:	178
<b>Total number of elite athletes at the HKSI:</b>		<b>1 248</b>

Notes: HKSAPID – Hong Kong Sports Association for Persons with Intellectual Disability  
HKPC&SAPD – Paralympic Committee & Sports Association for the Physically Disabled

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## Hong Kong Sports Institute

## Financial Projection for the Period from 2018-19 to 2022-23

	Estimated amount (\$ Million)				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Income</b>					
Allocations from the Elite Athletes Development Fund	596.2	631.7	668.6	706.0	747.4
Allocations from the Hong Kong Jockey Club Elite Athletes Fund	19.4	15.1	20.2	18.0	22.8
Income from community event, sponsorship, donations and other sources	26.0	20.4	26.2	23.2	27.7
<b>Total Income</b>	<b>641.6</b>	<b>667.2</b>	<b>715.0</b>	<b>747.2</b>	<b>797.9</b>
<b>Expenditure</b>					
Direct financial support to athletes	111.1	120.0	129.6	140.0	151.2
Athlete training and other related expenditure	220.3	234.3	251.7	266.3	283.7
Staff cost (including coaching and other athlete support staff)	208.9	217.5	226.4	235.6	245.1
Other operating expenditure	101.3	95.4	107.3	105.3	117.9
<b>Total Expenditure</b>	<b>641.6</b>	<b>667.2</b>	<b>715.0</b>	<b>747.2</b>	<b>797.9</b>

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**Sports Commission (SC)**

**Membership  
(1 January 2017 – 31 December 2018)**

- Chairman (Ex-Officio) : Mr LAU Kong-wah  
Secretary for Home Affairs
- Vice-Chairman (Ex-Officio) : Mr Timothy FOK Tsun-ting  
President, Sports Federation and Olympic  
Committee of Hong Kong, China
- Members (Ex-Officio) : Mr David YIP Wing-shing  
Chairman, Community Sports Committee
- Mr Tony YUE Kwok-leung  
Chairman, Elite Sports Committee
- Mr Karl KWOK Chi-leung  
Chairman, Major Sports Events Committee
- Dr Patrick YUNG Shu-hang  
Vice-Chairman, Community Sports  
Committee
- Mr Kenneth FOK Kai-kong  
Vice-Chairman, Elite Sports Committee
- Mr Wilfred NG Sau-kei  
Vice-Chairman, Major Sports Events  
Committee
- Dr LAM Tai-fai  
Chairman, Hong Kong Sports Institute
- Ms Michelle LI Mei-sheung  
Director of Leisure and Cultural Services

/Members .....

Members : Mr CHENG Ka-ho  
Professor Frank FU Hoo-kin  
Mr HE Yi-ming  
Dr James LAM  
Ms Lisa LAU Man-man  
Mrs Stella LAU KUN Lai-kuen  
Mr Michael LI Tze-hau  
Ms Vivian LEE Ying-shih  
Dr Eric LI Ka-cheung  
Ms YU Chui-yee

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### **Terms of Reference**

The terms of reference of the SC are to advise 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 sports through partnership and collaboration.

The SC is underpinned by three Committees, namely the Community Sports Committee, the Elite Sports Committee and the Major Sports Events Committee, which help develop and promote community sports, elite sports and major sports events.

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**Enclosure 9 to FCR(2018-19)69**

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

<b>District Sports Association</b>	<b>Amount received from CSSS (\$ million)<sup>Note</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>Note</sup> The upper limit of the subvention was set at \$120,000 in 2016-17 and was increased to \$150,000 with effect from October 2017.

**Estimated Number of Programmes and Amount of Matching Grant  
under the Major Sports Events Matching Grant Scheme  
from 2019-20 to 2023-24**

<b>Year</b>	<b>Estimated Number of sustainable “M” Mark events<sup>Note</sup> applied for matching grant</b>	<b>Estimated Number of New Events</b>	<b>Estimated Amount of Matching Grant (\$ Million)</b>
2019-20	9	2 - 4	70 - 100
2020-21	9	2 - 4	70 - 100
2021-22	9	2 - 4	70 - 100
2022-23	9	2 - 4	70 - 100
2023-24	9	2 - 4	70 - 100
<b>Total</b>	<b>45</b>	<b>10 - 20</b>	<b>350 - 500</b>

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<sup>Note</sup> There are 11 sustainable “M” Mark events held annually. According to the initial feedback of the relevant national sports associations, they are interested to apply for matching grant for the events, including UCI Track Cycling World Cup, LONGINES Masters of Hong Kong (Equestrian), Hong Kong Sevens, FIVB Volleyball Nations League, Hong Kong Tennis Open, Harbour Race, Hong Kong Open Badminton Championships, Hong Kong Squash Open and Hong Kong Open (Golf). While Hong Kong Marathon and Hong Kong International Dragon Boat Races expressed no financial needs at this moment.