

ITEM FOR FINANCE COMMITTEE

HEAD 53 – GOVERNMENT SECRETARIAT:

HOME AFFAIRS BUREAU

Subhead 700 General non-recurrent

Funding Support for Sports Development

New Item “Injection into Hong Kong Athletes Fund”

Members are invited to approve a new commitment of \$250 million for injection into the Hong Kong Athletes Fund.

PROBLEM

To promote the long-term development of sports, we need additional resources to enhance the dual career development and retirement support to athletes under the Hong Kong Athletes Fund (HKAF).

PROPOSAL

2. The Secretary for Home Affairs (SHA) proposes to create in 2020-21 a new commitment of \$250 million for injection into the HKAF.

JUSTIFICATION

Dual Career Development of Athletes

3. The Government attaches great importance to the all-round development of elite athletes and is committed to supporting their dual career development in education and sports training. With Government funding, the Hong Kong Sports Institute (HKSI) has been implementing Athletes Development

/Support

Support Programmes. With long-term and comprehensive support services, the overall performance of Hong Kong athletes has improved greatly in recent years. There have been remarkable achievements in various sports. The Hong Kong team won a record-breaking total of 46 medals (including eight gold, 18 silver and 20 bronze) in the 2018 Asian Games and 48 medals (including 11 gold, 16 silver and 21 bronze) in the 2018 Asian Para Games. In addition, our athletes have attained top ten world rankings in badminton, cycling, table tennis, windsurfing, billiard sports, fencing, karatedo and squash. Our junior athletes have also won medals at world championships in billiard sports, fencing and wushu. The number of athletes in the HKSI has increased significantly, among which the number of full-time athletes has risen 171%, from 195 in 2011-12 to 528 in 2019-20.

4. Education is a crucial element in elite athletes' development. Higher education not only helps enhance athletes' sports performance, but also helps lay a more solid foundation for their career development upon retirement.

5. The HKSI provides elite athletes with a range of education support, including education consultation, academic guidance, tutorial support and education grant. Since 2014, the HKSI has signed Memoranda of Understanding (MOUs) with 11 local tertiary institutions¹ to provide flexible study arrangements (including extension of study periods) for full-time athletes studying in these tertiary institutions. These MOUs also allow the HKSI to nominate full-time athletes for admission into programmes offered by these tertiary institutions. Moreover, the HKSI has partnered with 27 local secondary schools to provide flexible secondary curriculum for student athletes. Four of these secondary schools offer integrated and flexible secondary school curriculum for full-time student athletes through the Partnership School Programme. Our athletes are given more education opportunities with the support of schools and tertiary education institutions.

6. In order to recognise the sporting achievements of athletes in major games and international events, we have been providing one-off cash grants through the Elite Athletes Performance Recognition Scheme (EAPRS) since 2015 to eligible full-time athletes upon their retirement from sports training and competitions.

/Financial

¹ The 11 local tertiary institutions include The Education University of Hong Kong, The Chinese University of Hong Kong (CUHK), the School of Continuing and Professional Studies of the CUHK, Hong Kong Baptist University, The University of Hong Kong, The Hong Kong Polytechnic University, Lingnan University, City University of Hong Kong, The Hong Kong University of Science and Technology, The Hang Seng University of Hong Kong, and the Technological and Higher Education Institute of Hong Kong.

Financial Support under the HKAF

7. The HKAF was established in 1996 as a sub-fund of the Sir David Trench Fund for Recreation (SDTFR) under the Sir David Trench Fund for Recreation Ordinance (SDTFRO) (Cap. 1128). It received the Government's allocation of \$8 million and public donations of \$5.171 million in 1996-97 as well as public donations of \$0.077 million in 1997-98. The HKAF is required to keep the total capital sum of \$13.248 million intact and use the accrued investment income to provide financial support towards the individual education programmes of current and retired elite athletes, and to offer financial support to retired athletes. The HKAF subsequently received the Government's allocation of \$5 million in 2008-09 and public donation of \$4.90 million in 2011-12. The Government further allocated \$4.50 million to the HKAF in 2017-18, which increased the total capital of the HKAF to \$27.648 million, but the capital sum of the HKAF which must be kept intact remains at \$13.248 million. Since its establishment in 1996, the HKAF has been providing grants to support the dual career development of athletes, so as to encourage them to pursue sports excellence and education at the same time and lay a good foundation for building a career after retirement from sports. Currently, the scope of the HKAF covers young and retired athletes. The Government has since April 2019 implemented the elite training grant (ETG) system for full-time athletes with disabilities (AWDs), hence the grants under the HKAF are also made available to eligible AWDs. The HKAF mainly provides support in three main areas, namely –

- (a) education grants for eligible athletes;
- (b) one-off cash grants through the EAPRS for eligible retired athletes; and
- (c) cash incentives through the Youth Athletes Scholarship Awards (YASA) for junior athletes participating in major sports events, such as the Youth Olympic Games.

8. The approved grants under the HKAF have increased from \$0.9 million in 2011-12 to \$5.03 million in 2018-19, representing an increase of about 460%. A summary of the grants approved under the HKAF in the past five financial years is tabulated as follows –

/Year

Year	Education Grants		EAPRS		YASA		Total amount of grants approved (\$)
	Number of recipients	Amount of grants (\$)	Number of recipients	Amount of grants (\$)	Number of recipients	Amount of grants (\$)	
2015-16	21	2,937,080	7	2,167,200	0	0	5,104,280
2016-17	20	2,579,493	10	3,034,080	0	0	5,613,573
2017-18	14	1,884,200	3	991,200	13 ²	87,000	2,962,400
2018-19	21	3,012,760	7	1,982,400	2	34,667	5,029,827
2019-20	14	1,875,100	0 ³	0	0	0	1,875,100
Total:	90	12,288,633	27	8,174,880	15	121,667	20,585,180

9. The eligibility requirements of the education grant and the EAPRS under the HKAF are based on the elite vote (EV) levels of athletes, which are determined by the highest level of sports achievement ever attained by the athlete concerned at senior events in accordance with the EV Support System (see Encl. 1 Enclosure 1 for details).

10. In the 2019-20 Budget, the Government announced the injection of \$250 million into the HKAF to increase scholarship awards to support the dual career development of athletes, and provide more cash incentives for full-time athletes when they retire from sports. Enhancement measures formulated by the Government and endorsed by the Sports Commission are set out in paragraphs 11 to 19 below. They will come into effect in 2020-21, subject to funding approval by the Finance Committee (FC) of the Legislative Council (LegCo).

Education Grant

11. The HKAF currently provides an education grant to each eligible senior athlete⁴ for one certificate, diploma or bachelor's degree programme⁵. Eligible athletes who have retired for not more than two years may also apply for the education grant. To strengthen the support to athletes' dual career development, we will enhance the education grant after the proposed injection in the following areas –

/(a)

² Among Hong Kong AWDs who participated in the Asian Youth Para Games held in Dubai in December 2017, 13 AWDs won a total of 24 medals.

³ We understand that some eligible retired athletes intend to apply for cash grants under the EAPRS only after the funding application on the proposed injection into the HKAF is approved.

⁴ Senior athlete is defined as an athlete who has attained results in senior events.

⁵ The programme must be offered by one of the following education institutions –

- (a) University Grants Committee (UGC)-funded tertiary education institutions;
- (b) post-secondary institutions;
- (c) Hong Kong Institute of Vocational Education;
- (d) continuing education departments of UGC-funded tertiary institutions; or
- (e) approved overseas colleges or universities (if no comparable courses are offered locally).

(a) Relaxation in eligibility threshold of athletes

We propose to relax the eligibility threshold to apply for the education grant from the current EV level four (top three in Asian Championships or equivalent) to EV level three (top three in National Championships or equivalent) so as to benefit more athletes and encourage young athletes to engage in full-time training.

(b) Expansion of scope of study programmes

Many of our top athletes have attained or are in the process of pursuing a bachelor's degree. To support athletes' continuous education, we propose that the education grant be expanded to cover all post-secondary study programmes including master's and doctor's degree programmes.

(c) Increase in number of funded study programmes

Currently, each eligible athlete could only receive the education grant for one study programme. Upon injection into the HKAF, there would be sufficient funds to provide education grant for an additional study programme. In view of the high correlation between full-time training and medal chances at the international level⁶, the HKSI has been actively encouraging our elite athletes to commit to full-time training. We therefore propose that the education grant for the second study programme should be made available to athletes with four or more years of full-time training. This will also help encourage athletes to pursue higher qualifications.

(d) Increase in grant ceiling

Having considered the tuition fees of various study programmes, in particular the higher fees of some master's degree programmes, we propose to raise the annual ceiling of the education grant per programme from \$42,100 to \$70,000 and the ceiling per programme from \$252,600 to \$300,000. The maximum length of grant per programme will remain at six years.

/12.

⁶ For example, 80% of our 107 medalists in the 2018 Asian Games are full-time athletes.

12. Based on the sports achievements attained by our athletes in 2019-20, around 400 athletes will be eligible to apply for the enhanced education grant, with around 50 and 200 athletes benefitting from the relaxation in the eligibility threshold and the additional number of funded study programmes respectively.

13. As a transitional arrangement, we propose that the enhanced education grant would be applicable to the remaining years of the study programmes of existing grant recipients in 2020-21. Athletes who have already completed a study programme may apply for the enhanced education grant for a second study programme if applicable. We estimate that 65 athletes currently receiving education grant would benefit from the transitional arrangement.

New Sports Certificate Grant

14. There are many short-term sports certificate programmes available in the market, covering a number of subjects such as coach training, sports science, sports medicine, sports nutrition, fitness instruction, sports event management and sports facility management. These courses would be beneficial to athletes for enhancing their sports performance and paving way for their “second career”.

15. We propose to introduce a new sports certificate grant under the HKAF to support interested athletes in pursuing these sports-related certificates. The eligibility threshold would be identical to that for the enhanced education grant as listed in paragraph 11(a) above. The HKAF will provide each eligible current athlete or athlete who has retired for not more than two years the sports certificate grants for up to two sports certificate programmes⁷. The maximum grant per programme is \$20,000.

16. Based on the sports achievements attained by our athletes in 2019-20, around 400 athletes will be eligible to apply for the sports certificate grant.

/EAPRS

⁷ The programme needs to be offered by the following institutions –

- (a) UGC-funded tertiary education institutions;
- (b) post-secondary institutions;
- (c) Hong Kong Institute of Vocational Education;
- (d) continuing education departments of UGC-funded tertiary institutions;
- (e) Sports Federation and Olympic Committee of Hong Kong, China (SF&OC);
- (f) HKSI;
- (g) “national sports associations” under the Sports Subvention Scheme of the Leisure and Cultural Services Department; and
- (h) approved local or overseas sports-related organisations, colleges or universities.

EAPRS

17. The EAPRS application criteria for athletes are EV level four and eight years of full-time training. The amount of cash grants to be released under the EAPRS is based on the number of months of the highest ETG to athletes per month (the current level is \$41,030 per month), and adjusted according to the EV levels achieved and the length of full-time training received by our athletes. So far, 27 retired athletes have benefited from the EAPRS.

18. We propose to increase the grant levels under the EAPRS to recognise our athletes' achievements and provide greater retirement support. To encourage athletes to strive for higher achievements, we propose that athletes with higher EV levels and more years of full-time training should be given a more substantial increase in their grant levels. Details of the proposal are tabulated as follows –

<i>Current EAPRS</i>			
EV level	Level of cash grant based on the number of months of the highest ETG per month (the current level is \$41,030 per month)		
	8-9 years of full-time training	10-11 years of full-time training	12 years or more of full-time training
EV level 4	6 months (\$246,180)	8 months (\$328,240)	10 months (\$410,300)
EV level 5 or above	8 months (\$328,240)	10 months (\$410,300)	12 months (\$492,360)
<i>Enhanced EAPRS</i>			
EV level	Level of cash grant based on the number of months of the highest ETG per month (the current level is \$41,030 per month)		
	8-9 years of full-time training	10-11 years of full-time training	12 years or more of full-time training
EV level 4	6 months (\$246,180)	9 months (\$369,270)	12 months (\$492,360)
EV level 5 or above	12 months (\$492,360)	18 months (\$738,540)	24 months (\$984,720)

19. Based on the sports achievements attained by and seniority of our athletes in 2019-20, it is estimated that 51 athletes will be eligible for the enhanced EAPRS.

EV level	Number of current HKSI senior athletes		
	8-9 years of full-time training	10-11 years of full-time training	12 years or more of full-time training
EV level 4	4	1	1
EV level 5 or above	15	14	16

/Operation

Operation of the HKAF

20. The HKAF is a sub-fund of the SDTFR established under the SDTFRO and is administered by SHA. The Home Affairs Bureau (HAB) is responsible for formulating the scope of funding of the HKAF in consultation with the Sports Commission, while the Elite Training and Athletes Affairs Committee of the HKSI is responsible for giving advice and disbursing grants from the HKAF. 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 SDTFRO, the Government set up the SDTFR Investment Advisory Committee to formulate investment strategies for the SDTFR and its sub-funds and 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.

21. The HKAF has all along been adopting a prudent strategy to diversify its investment to strike a balance between investment returns and risks. In 2015-16 to 2019-20, the cumulative income of the HKAF is only sufficient to meet approximately 20% of the expenditure over the same period. The deficits of the HKAF in the five years during the same period were \$4.63 million, \$2.91 million, \$1.32 million, \$3 million and \$1.84 million respectively. As at May 2020, the HKAF had a balance of \$22.7 million.

22. The enhancement measures under the HKAF would encourage more athletes to pursue dual career development and apply for HKAF funding. While the capital and investment income of the HKFA can be used to support the dual career development of athletes, \$13.248 million must be kept for the capital maintenance. We estimate that about \$24.8 million is required per year upon the implementation of the enhancement measures under the HKAF. However, the amount required may be higher due to an increasing number of athletes at the HKSI and the improving overall performance of Hong Kong athletes. The projection of annual expenditure of the HKAF is as follows –

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Item	Estimated annual number of cases	Estimated annual expenditure (\$ million)
Education Grant ⁸	<ul style="list-style-type: none"> 180 athletes study bachelor's degree programmes 100 athletes study associate degree or master's degree programmes 	14.58
Sports Certificate Grant	<ul style="list-style-type: none"> 100 athletes study sports certificate courses 	2.00
EAPRS ⁹	<ul style="list-style-type: none"> 10 eligible athletes at time of retirement 	8.12
YASA ¹⁰	<ul style="list-style-type: none"> Estimate based on past scholarship granting record 	0.10
Total		24.80

23. We need to make an injection into the HKAF to enhance the support for the dual career development of athletes in sports training and education.

Dual Career Support to Retired Athletes by the Hong Kong Athletes Career and Education Programme (HKACEP)

24. With Government funding, commercial sponsorship and private donations, the SF&OC has been supporting the dual career development of retired athletes through its HKACEP by providing education scholarship programmes as outlined at Enclosure 2. The HKACEP had a balance of \$15.12 million as at 31 March 2020. In the light of the enhancements to the dual career support to athletes under the HKAF, the SF&OC plans to review the HKACEP with a view to enhancing its dual career support programmes to retired athletes. As a result, the HKACEP may require more funding in the future. We propose that the funding under the HKAF could be used to meet the funding requirements of the HKACEP

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⁸ We estimate that about 45% of the 400 athletes (180 athletes) who are eligible to apply for the enhanced education grant will study bachelor's degree programmes, as well as about 25% of them (100 athletes) will study associate degree or master's degree programmes. The annual tuition fee for a bachelor's degree programme is \$42,100, while the tuition fee for an associate degree programme or a master's degree programme is \$70,000.

⁹ We estimate that there would be 10 retiring athletes each year who would be eligible for the EAPRS, including five, three and two athletes with EV levels five or above reaching 12 or more, 10-11 and 8-9 years of full-time training respectively.

¹⁰ As mentioned in paragraph 7(c) above, the HKAF provides cash incentives through the YASA to some junior athletes, and its current operations would not be affected by the proposed injection.

having regard to its balance in the future, so as to provide the HKACEP with the necessary resources for implementing its dual career support programmes to retired athletes over the longer run. The proposal is endorsed by the Sports Commission. We will consult the Sports Commission when it is necessary to allocate funds from the HKAF to the HKACEP.

FINANCIAL IMPLICATIONS

25. We propose to inject \$250 million into the HKAF in 2020-21. The administrative cost arising from the operation of the HKAF will continue to be absorbed by the HAB, the Treasury and the HKSI.

PUBLIC CONSULTATION

26. We consulted the LegCo Panel on Home Affairs (the Panel) on the proposed injection into the HKAF on 24 June 2019. Members did not object to the submission of the proposal to the FC. We provided a written response to the Panel on 12 July 2019 in response to a Member's enquiry on the eligibility requirements and funding details of some measures under the HKAF.

Home Affairs Bureau
July 2020

Elite Vote (EV) Levels of Elite Athletes

EV Level Criteria	1	2	3	4	5	6
The highest level of sports achievement ever attained by an able-bodied athlete at senior events	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> International Invitation Tournament Regional Championships (e.g. Pacific Games, East Asian Championships) International Open Competitions	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> Asian Cup Series National Championships Asian Indoor and Martial Arts Games	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> Asian Championships National Games World University Games / Championships Asia Cup (Finals) World Cup Series	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> Asian Games World Cup (Finals)	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> Olympic Games World Championships	<u>Medal (Minus-one Rule)</u> Olympic Games
	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> Inter-port / Inter-City Competition	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> International Invitation Tournament Regional Championships (e.g. Pacific Games, East Asian Championships) International Open Competitions	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> Asian Cup Series National Championships Asian Indoor and Martial Arts Games	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> Asian Championships National Games World University Games / Championships Asia Cup (Finals) World Cup Series	<u>Medal (Minus-one Rule)</u> Asian Games Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> World Cup (Finals)	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> World Championships
The highest level of sports achievement ever attained by an athlete with disability at senior events	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> International Invitation Tournament International Open Competitions Regional Championships	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> Asian Cup Series National Championships Special Olympics	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> Asian Championships National Games Asian Cup (Finals) IPC World Cup Series <u>Non-IPC:</u> World Cup (Finals) INAS Global Games	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> Asian Para Games IPC World Cup (Finals) <u>Non-IPC:</u> World Championships	Ranking 4-8 (> 24 entries) or <u>Top 1/3 (≤ 24 entries)</u> Paralympic Games IPC World Championships	<u>Medal (Minus-one Rule)</u> Paralympic Games
	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> Inter-port / Inter-City Competition	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> International Invitation Tournament International Open Competitions Regional Championships	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> Asian Cup Series National Championships Special Olympics	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> Asian Championships National Games Asian Cup (Finals) IPC World Cup Series <u>Non-IPC:</u> World Cup (Finals) INAS Global Games	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> Asian Para Games IPC World Cup (Finals) <u>Non-IPC:</u> World Championships	Medal (> 9 entries) or <u>Top 1/3 (≤ 9 entries)</u> IPC World Championships

Note: Minus-one rule: The athlete must have beaten at least one competitor in the competition.

Legend: IPC – International Paralympic Committee ; INAS – International Sports Federation for Persons with Intellectual Disability

Outline of the Education Scholarship Programmes of the Hong Kong Athletes Career and Support Programme

Eligibility of the Education Scholarship Programmes

- Retiring or retired athletes up to six years after their retirement;
- Nominated by their respective “national sports associations”;
- Served as a member of the Hong Kong team and had at least four years of full-time training; and
- Represented Hong Kong in major events, including the Olympic Games and the Asian Games, and attained the required results (e.g. top eight position).

Content of the Education Scholarship Programmes

	Programme	Maximum grant
1.	Scholarship Programme for Vocational Skills Training	Short-term programme: \$20,000 Long-term programme: \$120,000
2.	Scholarship Programme for Post-Secondary Education	Short-term programme: \$20,000 Long-term programme: \$120,000
3.	Language Enrichment Course	\$12,000
4.	Scholarship Programme for Undergraduate, Postgraduate and Master Course	Undergraduate programme: \$240,000 Postgraduate and master programme: \$150,000
5.	Academic Enhancement Scheme for Post-Secondary	\$24,000
6.	Academic Enhancement Scheme for Undergraduate	\$24,000
