



「體育資助計劃」 檢討報告

Report on Comprehensive Review of Sports Subvention Scheme



2020

REPORT ON COMPREHENSIVE REVIEW OF THE SPORTS SUBVENTION SCHEME

Contents	Page
1. Table of Contents	2
2. List of Figures	6
3. List of Tables	7
4. List of Acronyms	8
Executive Summary	10
Chapter I Introduction	16
1.1 Background	16
1.2 Scope of Study	17
1.2.1 Scope A:	18
- Funding Principles, Cycle and Mechanism	
1.2.2 Scope B:	18
- Allocation of Subvention and Subsidy Level	
1.2.3 Scope C:	19
- Incentives to Attract and Retain Talents	
1.2.4 Scope D:	19
- Corporate Governance and Monitoring System	
Chapter II Overview on Sports Subvention Scheme	20
2.1 Development of Sports Subvention Scheme	20
2.1.1 Overview on Sports Development	20
a. Category A:	22
- International Competitions	
b. Category B:	22
- Squad Training	

Contents	Page
c. Category C:	23
- Development Training Programmes / Training Schemes cum Local Competition	
i. District Sports Teams Training Scheme	23
ii. Young Athletes Training Scheme	24
iii. Primary Athletes Training Scheme	25
iv. Feeder System Scheme	25
v. Community Sports Club	26
vi. School Sports Programmes	27
vii. Local Competition	28
d. Category D:	29
- Officials Training Programme cum Conferences	
2.1.2 Overall Achievement of Sports Subvention Scheme	29
2.2 Current Measures Adopted by Leisure and Cultural Services Department to Improve the Corporate Governance of National Sports Associations	29
Chapter III Structure of the Comprehensive Review	32
3.1 Phase I of the Review	32
3.1.1 Enhancement Measures for Phase I of the Review	33
a. Subvention to NSAs for Participation in International Competitions held Outside Hong Kong	33
b. Subvention to NSAs for Squad Training	34
c. Subvention to Under-privileged Athletes	35
d. Subvention of Operating Cost and the Corresponding Ceiling Subsidy of Eligible Items	35
e. Subvention to NSAs for New Eligible Items	35
3.1.2 Implementation of Measures of Phase I of the Review	36
3.2 Phase II of the Review	36

Contents	Page
3.2.1 Local Study	36
3.2.2 Overseas Study	37
Chapter IV Local Study on Sports Subvention Scheme	38
4.1 Results of the Local Study	38
4.1.1 Questionnaire Survey	38
4.1.2 Consultation with Major Stakeholders	45
4.1.3 Open Forums for Focus Groups	46
4.1.4 Opinion Collected from Open Channels	47
4.2 Major Findings and Exemplars	47
Chapter V Study on Sports Subvention in Overseas Countries	49
5.1 Research Study on the Mode of Sports Subvention in Overseas Countries	49
5.1.1 Mode of Subvention in Asian Countries	51
a. Japan	51
b. Singapore	52
c. South Korea	54
5.1.2 Mode of Subvention in European Countries	55
a. Belgium	55
b. United Kingdom	57
5.1.3 Mode of Subvention in Oceania	59
a. Australia	59
5.1.4 Mode of Subvention in North America	60
a. Canada	60
b. United States	62
5.1.5 Interview with NSAs in Hong Kong	63
5.2 Major Findings and Exemplars	64

Contents	Page	
Chapter VI	Discussions and Recommendations	67
	6.1 Scope A: Funding Principles, Cycle and Mechanism	67
	6.2 Scope B: Allocation of Subvention and Subsidy Level	71
	6.3 Scope C: Incentives to Attract and Retain Talents	76
	6.4 Scope D: Corporate Governance and Monitoring System	81
Chapter VII	Conclusion and Way Forward	85
	7.1 Summary of Findings and Recommendations	85
	7.2 Feedback on Recommendations	86
	7.3 Conclusion	88
	7.4 Financial Implication	89
	7.5 Way Forward	89
Appendix I	Examples of Training Profile and Achievement of Outstanding Athletes under the Training Scheme of LCSD	91
Appendix II	Questionnaire for Local Study of NSAs	96
Appendix III	Questionnaire for Local Study of SOs	101
Appendix IV	List of Consultation Groups	104
Appendix V	Executive Summary—extracted from the Report on the Research Study on the Mode of Subvention to National Sports Associations and Sports Organisations in Hong Kong and other overseas Cities or Countries conducted by Hong Kong Baptist University	106
Appendix VI	Proposed Implementation Schedule of Enhancement Measures	109
Membership of the Steering Committee on the Review of the Sports Subvention Scheme		116
Acknowledgements		118

2. List of Figures

	Page
Figure 1: Hierarchy of Sports Development	21
Figure 2: Feedback on Existing Funding Cycle	40
Figure 3: Feedback on Existing Eligible Items	40
Figure 4: Funding Principles of SSS	41
Figure 5: Subvention to NSAs	42
Figure 6: Human Resources Management	43
Figure 7: Corporate Governance and Monitoring System	44

3. List of Table

	Page
Table 1: Overall Views on Lump-sum Subvention and Non Lump-sum Subvention	39
Table 2: Summary of Feedback collected during Consultation Meetings	46
Table 3: Population of each Country/City in the Overseas Study	64

4. List of Acronyms

AAP	Athlete Assistance Programme
ActiveSG	Active Singapore
AIS	Australian Institute of Sport
AoA	Articles of Association
BC	British Columbia
CPI	Consumer Price Index
CSC	Community Sports Club
DCMS	Department for Digital, Culture, Media & Sport
DSTTS	District Sports Teams Training Scheme
FSS	Feeder System Scheme
HAB	Home Affairs Bureau
HKBU	Hong Kong Baptist University
HKIoD	Hong Kong Institute of Directors
HKSDDB	Hong Kong Sports Development Board
HKSI	Hong Kong Sports Institute
HP	Hosting Programme
ICAC	Independent Commission Against Corruption
IF	International Sport Federation
IOC	International Olympic Committee
JASA	Japan Sport Association
JOC	Japan Olympic Committee
JSA	Japan Sports Agency
JSC	Japanese Sports Council
KPAs	Key Performance Areas
KPIs	Key Performance Indicators

KSOC	Korea Sports & Olympic Committee
LCSD	Leisure and Cultural Services Department
NGB	National Governing Body
NSA	National Sports Association
NSF	National Sports Federation
NSO	National Sports Organisation
PATS	Primary Athletes Training Scheme
SA	Sport Australia
SC	Steering Committee
SE	Sport England
SF	Sport Flanders
SF&OC	Sports Federation & Olympic Committee of Hong Kong, China
SO	Sports Organisation
SportSG	Sport Singapore
SSI	Singapore Sport Institute
SSP	School Sports Programme
SSS	Sports Subvention Scheme
UK	United Kingdom
USOC	United States Olympic Committee
YATS	Young Athletes Training Scheme

Executive Summary

Background

1. The Government of the Hong Kong Special Administrative Region has set the following three policy objectives on sports development-
 - (a) Promoting Sport-for-All
 - a sustainable and community-wide sporting culture whereby people of all age groups participate actively in sports in quest of sound physical and psychological health, as well as positive community spirit;
 - (b) Supporting Elite Sports
 - a cadre of high performance athletes who can compete in major international and overseas sports events competitively, and become role models for the youth; and
 - (c) Promoting Hong Kong as a Centre for Major International Sports Events
 - Hong Kong to be an attractive venue for hosting international sports events of different nature and scale, thereby fostering a sporting culture and bringing economic benefits such as tourism.

National Sports Associations

2. In Hong Kong, “national sports associations” (NSAs) are one of the major partners to achieve the above policy objectives. The Government provides funding support to NSAs. NSAs are local governing sports organisations in the respective sports disciplines established with the objectives to promote and develop their respective sports, and to participate in international sports activities. They are normally affiliated to the International Federation concerned and are recognised by the Sports Federation & Olympic Committee of Hong

Kong, China (SF&OC) as the sole official representatives representing Hong Kong for their respective sports in major games and international events. At present, there are 79 NSAs and sports organisations under SF&OC.

Funding Support provided to NSAs

3. NSAs are non-profit-making organisations. Currently, 60 NSAs receive recurrent subvention from the Government under the Sports Subvention Scheme (SSS) administered by the Leisure and Cultural Services Department (LCSD). They may also generate income through donation, commercial sponsorship, membership fee and members' contribution. Before 2004-05, the former Hong Kong Sports Development Board (HKSDB) was responsible for granting the Government subvention to NSAs. With the dissolution of the HKSDB in April 2004, LCSD has since then taken over the funding responsibility to provide subvention to NSAs to promote and develop their respective sports.

Comprehensive Review of the Sports Subvention Scheme

4. SSS was last reviewed in 2010-11 with enhanced control mechanism and subvention level to NSAs implemented since 2011-12. In the 2018-19 Budget Speech, it was announced that LCSD would conduct a comprehensive review of SSS and the Government would make reference to the review findings and provide necessary resources for SSS. The Comprehensive Review of the Sports Subvention Scheme (the Review) was conducted in two phases and overseen by a Steering Committee (SC) chaired by the Director of Leisure and Cultural Services and supported by two Working Groups.
5. Phase I of the Review aims to identify the areas of concern of NSAs in the current mode of subvention with recommendations on measures that address the imminent needs of NSAs and bring immediate benefits to them as well as members of the public. In the 2019-20

Budget Speech, it was announced that an additional recurrent provision of \$25 million and an extra two-year subsidy totalling \$35 million would be allocated to enhance the funding support for the 60 NSAs subvented under the SSS. The funds aim to support their participation in overseas competitions, offer more squad training programmes and support under-privileged athletes, as well as other operating costs. Moreover, a one-off grant of \$15 million would be provided to NSAs for staff training/further studies, procurement of equipment, improvement of office facilities, etc. in 2019-20.

6. Phase II of the Review aims to review local and overseas practices in sports subvention, administration of funding scheme, incentives to attract and retain experienced staff for NSAs, and recommend measures to enhance and streamline the administration of the SSS in four aspects, namely Scope A: Funding Principles, Cycle and Mechanism; Scope B: Allocation of Subvention and Subsidy Level; Scope C: Incentives to Attract and Retain Talents in NSAs; and Scope D: Corporate Governance and Monitoring System for NSAs and sports organisations. It was conducted by means of a research study with a holistic approach. The research covered an overseas study on eight overseas countries conducted by a consultant appointed by LCSD as well as a local study which included three parts: consultation with NSAs and major stakeholders, questionnaire survey and public consultations. With the result of the overseas study and findings of the local study, SC drew up recommendations to the Secretary for Home Affairs on practical measures to enhance the administration of the SSS and governance of the NSAs.

Major Concerns and Recommendations

7. Based on the findings of overseas study and local study collected from different channels between October 2018 and April 2019, the major concerns of NSAs are identified and their suggestions for improvement are well noted and have been taken into account in formulating the recommendations and enhancement measures. As reflected by many NSAs, their key concerns are the allocation of subvention, the subsidy level (Scope B) and the incentives to attract and

retain talents in NSAs (Scope C). Many of them reflected the imminent needs to increase the subsidy on programme cost for overseas events, review the coverage, ceiling subsidy and the subvention level of eligible items and strengthen the manpower support as well as increase salary package for subvented staff, coaches and referees, etc.

8. To address the issues of concern identified under the four major scopes and take into account overseas practices and views collected from local study, the SC has made 15 recommendations as listed below-

SCOPE A: Funding Principles, Cycle and Mechanism

- ***Eligibility Criteria for Subvention***

- Recommendation 1-**

- To devise a mechanism to ensure continued fulfilment of the eligibility requirements for receiving government subvention, and to consider strengthening the assessment criteria in light of the changing needs of the sporting community and proper use of public funding.

- ***New and Trendy Sports***

- Recommendation 2-**

- To introduce a pilot scheme to test out how best to support the promotion and development of new and trendy sports.

- ***Funding Cycle***

- Recommendation 3-**

- To introduce a pilot scheme to provide multi-year funding for NSAs to enhance smooth delivery of multi-year programmes for further development of NSAs in the long run.

- ***Mechanism for Effective Use of Public Funding***

- Recommendation 4-**

- To enhance the funding mechanism by clearly stipulating procedures and requirements for compliance by NSAs and consequences of non-compliance.

SCOPE B: Allocation of Subvention and Subsidy Level

- ***Subvention Level***

- Recommendation 5-**

- To provide additional resources to enhance the subvention of eligible items for NSAs and thereby continue the provision of new services introduced under Phase I of the Review.

- Recommendation 6-**

- To expand the sporting services to all walks of life by providing more opportunities of participation, ranging from training at grassroot level for fun to higher skill level for competition.

- ***Relaxation and Restructuring of Eligible Items***

- Recommendation 7-**

- To review the current principles and practices of the list of eligible items so as to allow NSAs to have more flexibility to meet operational needs.

- ***Reserve Fund***

- Recommendation 8-**

- To keep reserve fund and streamline the application procedures of the fund.

- ***Alternative Sources of Income***

- Recommendation 9-**

- To provide support for NSAs to explore more sources of income and solicit more sponsorship from private sector.

SCOPE C: Incentives to Attract and Retain Talents

- ***More Autonomy for NSAs to Attract and Retain Quality Staff***

- Recommendation 10-**

- To allow NSAs to have more autonomy to map out their manpower and staffing arrangement with additional support so as to address their manpower problem.

- ***Support to Multi-sport Associations***

- Recommendation 11-**

- To provide additional resources to the four multi-sport associations for enhancing manpower to cope with the heavy workload.

- ***Incentives to Staff and Volunteers***

- Recommendation 12-**

- To provide more training opportunities for the development of subvented staff, officials and volunteers and show recognition of their continuous and good performance.

SCOPE D: Corporate Governance and Monitoring System

- ***Corporate Governance***

- Recommendation 13-**

- To enhance the role of SF&OC in overseeing the corporate governance of NSAs.

- ***Continuing Professional Development Programmes***

- Recommendation 14-**

- To engage experts, professional institutes and relevant stakeholders to design a series of Continuing Professional Development Programmes and develop best practice guidelines for NSAs to enhance their efficiency in office management and expand their horizon in the scope of sports development.

- ***LCSD Manpower required to carry out the Recommendations***

- Recommendation 15-**

- To set up a dedicated team in LCSD to plan, implement and monitor the recommendations and enhancement measures proposed in the Review.

Chapter I Introduction

1.1 Background

1. Sports plays an important role in our daily lives with multiple social, healthy and economic benefits. Recognising the importance and benefits of sports to the whole society, the Government of the Hong Kong Special Administrative Region has substantially increased its investment in sports development in recent years. The Government has been supporting the development of sports in Hong Kong and committed to promoting sports in the community, supporting elite sports and developing Hong Kong into a centre of major international sports events. In 2018-19 Budget Speech, the Government announced that “This year, the Leisure and Cultural Services Department will conduct a comprehensive review of the Sports Subvention Scheme. We will make reference to the review findings and provide the necessary resources for the Scheme.” (*Para. 166 of the 2018-19 Budget Speech*)
2. Effective from April 2004, the Leisure and Cultural Services Department (LCSD) has taken over from the then Hong Kong Sports Development Board (HKSDB) the role of administering government funding provided to “national sports associations” (NSAs) and Sports Organisations (SOs) for the promotion and development of sports in Hong Kong and established the Sports Subvention Scheme (SSS). LCSD has become the one-stop funding agent to disburse subventions to NSAs on block grant basis and SOs on project basis for organising sports events, training programmes and competitions thereafter. At present, there are 79 NSAs and sports organisations under SF&OC.
3. NSAs are non-profit making bodies affiliated to the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) as well as to their respective International or Asian Federations. They are the local governing organisations of the respective sports established with the objectives of promoting and developing their disciplines in Hong Kong through different means including the organisation of training programmes, competitions, as well as nurturing athletes to represent Hong Kong to take part in international

competitions. NSAs are responsible for promoting and developing sports locally and representing Hong Kong in the global sports arena. They have all along been playing a significant role in the promotion of sports development. In 2020-21, LCSD has provided funding support to 60 NSAs and 24 SOs through SSS. Over the years, NSAs have expressed concerns about the difficulties encountered in attracting and retaining talented and experienced staff because the staffing structure and remuneration have not been in pace with the increase in the volume and complexity of the work of NSAs over time. Furthermore, NSAs consider that current funding provided to them and athletes to participate in and organise sports programmes/events inadequate to meet the increasing demand.

4. To follow up on the recommendations made by the Audit Commission and the Independent Commission Against Corruption (ICAC) in November 2009 and February 2011 respectively, LCSD conducted a review on the administration of SSS and the governance in NSAs. As a result, an enhanced control mechanism and subvention level to NSAs have been in place since 2011-12. To meet the changing needs of the sporting community and identify areas for further enhancement, the Government considered it timely to conduct another comprehensive review of the SSS and announced that in the 2018-19 Budget Speech. In 2018, LCSD commenced the comprehensive review and set up a Steering Committee (SC) to oversee the Review and formulate strategic guides for providing funding to NSAs and SOs in future. Views of NSAs, SOs and major stakeholders were gauged in the process of the Review. The Government aims at making reference to the findings of the Review to enhance the services of NSAs as well as their corporate governance and professionalism in sports administration in order to lay a more solid foundation to promote sport for all, nurture elite athletes, and make Hong Kong a hub for major international sports events.

1.2 Scope of Study

5. In order to enhance sports development and corporate governance of NSAs and to ensure the effective use of public funding, LCSD has adopted a holistic approach to conduct the Review in two

phases. Phase I aims to identify the areas of concern of NSAs in the current mode of subvention with recommendations on measures that could address imminent needs of NSAs and bring immediate benefits to them as well as members of the public. Phase II aims to review local and overseas practices in sports subvention. The key areas to be reviewed include the eligibility for an NSA to apply for public funding and the guiding principles as well as mode of delivery; funding principles and subvention level; incentives to retain and attract talented and experienced sports administrators and volunteers to stay and continue to contribute to the sporting arena; and good corporate governance as well as best practice required for public funded sporting bodies. In gist, the Review focuses on four scopes-

Scope A: Funding Principles, Cycle and Mechanism

Scope B: Allocation of Subvention and Subsidy Level

Scope C: Incentives to Attract and Retain Talents

Scope D: Corporate Governance and Monitoring System

1.2.1 Scope A: Funding Principles, Cycle and Mechanism

6. Scope A covers funding principles, cycle and mechanism as well as the eligibility criteria and guiding principles for NSAs and/or SOs to apply for government funding under SSS and other overseas countries regarding the following aspects –

- funding principles and guidelines for assessment of proposals for funding
- funding rules and mechanism for granting subvention
- eligibility criteria for application for funding
- other funding sources
- linkage between NSAs' performance and allocation of funding
- recognition and de-recognition policy/In-Out mechanism
- funding cycle: yearly vs multiple years grant

1.2.2 Scope B: Allocation of Subvention and Subsidy Level

7. Scope B covers subvention level for NSAs and SOs and identifies factors determining the variations in subvention level for different types of sports and/or events, if any, such as team games, including-

- eligible expenditure items
- funding categories and maximum subvention level
- sponsorship strategy and related agreement/publicity requirement
- reserve fund system and virement of fund among the different funding categories

1.2.3 Scope C: Incentives to Attract and Retain Talents

8. Scope C covers the incentives required to attract and retain subvented staff and volunteers in NSAs and SOs. Issues reviewed including-
- provision of subvention for personnel expenses
 - minimum entry requirement and respective salary levels of subvented posts
 - fringe benefits including pay rate, medical insurance scheme, retirement benefit scheme and academic training fund, etc.
 - qualification and training requirements for office bearers, officials and volunteers

1.2.4 Scope D: Corporate Governance and Monitoring System

9. Scope D covers monitoring system for subvented NSAs and SOs, good corporate governance and best practices required for NSAs and SOs, including-
- standard requirements on the code of practice, code of conduct and conflict of interests
 - monitoring/assessment system on subvention (quantifiable assessment criteria such as key performance areas or others) and related penalty system for suspension and/or on-going funding support
 - public policy guidelines e.g. equity, sexual harassment, etc.
 - measurable framework for evaluating the performance of subvented NSAs or SOs on corporate governance and internal control
 - formation of Executive Committee of NSAs/SOs

Chapter II Overview on Sports Subvention Scheme

2.1 Development of Sports Subvention Scheme

10. LCSD has assumed the role of a one-stop administration of sports subvention to NSAs on block grant basis and SOs on project basis since 2004-05. The block grant provides subvention to NSAs for covering their personnel expenses, office expenses and programme expenses. Personnel expenses are payable for salaries, contribution to the Retirement Benefit Scheme for the subvented posts and other part-time manpower requirements in relation to the scale and scope of sports activities organised by the NSAs. Office expenses are payable for expenses in running NSA offices including rent and rates, annual audit fee for professional auditors and office administration. Programme expenses are payable for organising sports events including notional venue charges for use of LCSD facilities. LCSD maintains a list of eligible items that can be funded under the SSS with a corresponding ceiling subsidy for each eligible item. Depending on the nature of the programmes organised, there is a maximum subvention level (a percentage against the assessed expenditure) for different programmes and events. The block grant subvention is governed by subvention agreement signed between LCSD and respective NSAs.
11. As a general practice, eligible NSAs would be invited by LCSD to submit annual plan with performance targets and budget requirement in September every year. After assessment, LCSD would allocate subvention, based on the approved annual budget, to eligible NSAs with quarterly disbursement for organising different kinds and levels of sports events including overseas international events, squad training programmes, development programmes and training schemes under District Sports Teams Training Scheme, Young Athletes Training Scheme, Primary Athletes Training Scheme, School Sports Programme, Community Sports Club Project in addition to training of officials and participation in international sports conferences, etc.

2.1.1 Overview on Sports Development

12. After taking over the funding administration from the then HKSDB and the establishment of the SSS in 2004, there have been

significant changes in terms of number of subvented programmes and participants over the years. In 2004-05, over \$130 million was allocated to 57 NSAs to organise about 7 700 sports events benefiting some 635 000 participants. In 2019-20, 60 NSAs received over \$330 million from SSS to organise more than 10 700 sports events targeting for 750 000 participants, representing an increase of 153% in the subvention amount, 39% in the number of subvented programmes and 18% in the number of participants respectively.

13. Currently, the subvented programmes under SSS can be classified into four categories, namely Category A: International Competitions; Category B: Squad Training; Category C: Development Programme/Training Scheme cum Local Competition; and Category D: Officials Training Programme cum Conferences. The hierarchy of sports development shows clearly the path and training opportunities offered to the athletes as the upgrading platform leading to the top level of a pyramidal sporting life (Figure 1).

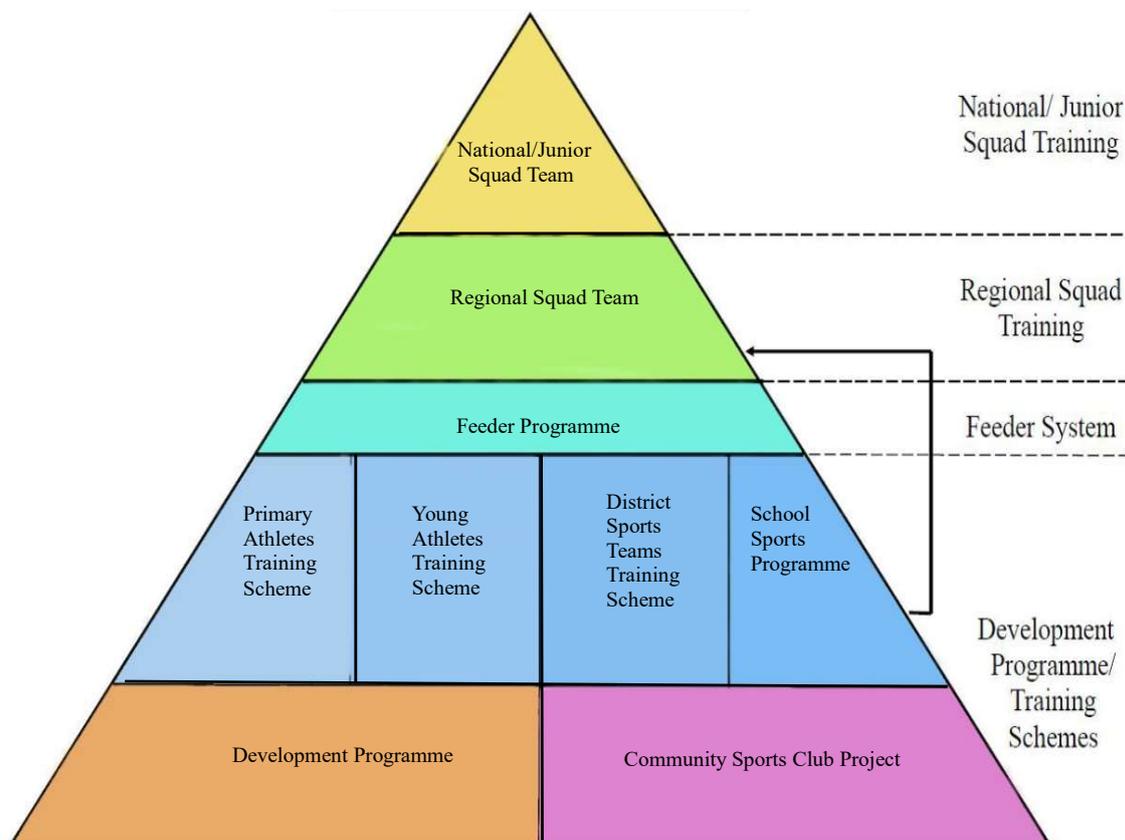


Figure 1: Hierarchy of Sports Development

a. Category A: International Competitions

14. Subvention under Category A is mainly funding support for the participation in *International Events held outside Hong Kong*. It aims to provide more opportunities for Hong Kong athletes to take part in overseas international events so as to increase their experience in sports competitions and raise the overall level of sports in Hong Kong. NSAs and athletes are encouraged to participate in more international competitions to compete with higher level players. More subventions are provided for NSAs in the Olympic year as well as the preceding year to support their participation in international events which will help them achieve the entry qualification of the Olympic Games and Paralympic Games. Under the prevailing practice of SSS, each NSA is required to set out in its annual plan the international competitions to be participated. LCSD will consider the amount of subvention for each NSA having regard to the availability of funding, the achievements of the sport in the past and the number of approved projects in previous years. Due to limited resources, the current funding for NSAs and athletes to participate in international competitions held outside Hong Kong is tight and cannot support all the events as proposed by the NSAs in their annual plan. In view of this, LCSD has collected views on the difficulties encountered in the current mode of allocation, the areas of concern of NSAs. With a view to alleviating the immediate problem, a series of measures has been adopted in the Phase I of the Review which are further elaborated in para. 42.

b. Category B: Squad Training

15. Subvention under Category B is mainly allocated to support *National/Junior/Regional Squad Training Programme*. With effect from April 2013, the Hong Kong Sports Institute (HKSI) has taken up the support of *National and Junior Squad Training Programme* for all Tier A¹ and Tier A* sports² (elite sports), while LCSD continues to provide subvention for *National and Junior Squad Training* for the sports disciplines other than those taken up by HKSI, as well as the secondary disciplines of elite sports. LCSD also provides subvention

¹ Tier A sports under HKSI include Athletics, Badminton, Billiard Sports, Cycling, Equestrian, Fencing, Gymnastics, Karatedo, Rowing, Rugby Sevens, Sailing, Skating, Squash, Swimming, Table Tennis, Tennis, Tenpin Bowling, Triathlon, Windsurfing and Wushu.

² Tier A* sports are Badminton, Cycling, Table Tennis and Windsurfing whose athletes have consistently performed well at the international arena and have potential to achieve medals at the Olympic Games.

for *Regional Squad Training Programme*, which is the mid-tier training heading to top tier. Subject to funding availability, LCSD supports full-year training to help enhance the performance of athletes. The supported trainings include regular training programmes as well as training camps. The current support for athletes, especially on training hours, is tight due to resources limitation. Measures have been introduced after the completion of Phase I of the Review to address the concerns and imminent needs of NSAs as well as athletes, which are further elaborated in para. 52.

c. Category C: Development Training Programmes/Training Schemes cum Local Competition

16. Subvention under Category C is mainly allocated to support Development Programmes and Training Schemes, including District Sports Teams Training Scheme, Young Athletes Training Scheme and Primary Athletes Training Scheme, Community Sports Club Project and School Sports Programme as well as Local Competition. While some of the training schemes such as the Table-tennis Academy-New Generation Table-tennis Training Course, the Badminton (Award) Training Scheme, the Youth Football Development Programme, the Hong Kong Youth (Boys & Girls) Basketball Training Scheme, the Youth Windsurfing Promotion Scheme, and the Youth Wushu Training Course, etc., have been established for more two decades, it is worthwhile to take an overview across these years to illustrate the path of development and underline the effort and achievement under the perimeter of SSS during the period.

(i.) *District Sports Teams Training Scheme*

17. The District Sports Teams Training Scheme (DSTTS) was first launched in 2000-01. It aims to enhance public interest in sports, promote a sense of belonging within local communities and raise the standard of sports in the districts through systematic training and inter-district sports competitions. Youngsters with basic skills of the specified sports are recruited through open selection. They are given progressive training and take part in inter-district competitions and promotion activities. To tie in with the overall development strategy of NSAs and to allow greater flexibility in delivery of the DSTTS, NSAs are provided with subvention under SSS as well programmes LCSD's

support in terms of venue booking, marketing and other necessary guidance.

18. In 2000, LCSD set up basketball and football district teams in 18 districts. After years of development, the DSTTS was extended to four sports in 18 districts, namely basketball, fencing, football and handball from 2009-10 until now.
19. In 2004-05, LCSD allocated some \$1.3 million for four NSAs to organise 112 programmes under the DSTTS catering for over 5 400 young athletes. In 2019-20, LCSD allocated \$2 million for the four NSAs to organise 240 programmes targeting for some 9 000 athletes, representing an increase of 54% in the subvention amount, 114% in the number of subvented programmes and 67% in the number of athletes respectively. The DSTTS has been well received by the districts and has contributed to the promotion and development of these four sports at district level.

(ii.) *Young Athletes Training Scheme*

20. The Young Athletes Training Scheme (YATS) was launched in 1998 by the then Provisional Regional Council with the support of relevant NSAs. Five sports including badminton, basketball, football, swimming and table tennis were selected under a pilot scheme for development. It aims to identify young athletes with potential for further systematic training. Participants with outstanding performance are selected to join squads and take part in international competitions. They are recruited through open selection and receive progressive training and take part in inter-district competitions, training camps and promotion activities, etc.
21. In 2004-05, seven sports, namely badminton, basketball, football, judo, squash, swimming and table tennis were supported under the YATS. A total of 12 100 participants took part in the progressive training, of which 152 talented young athletes were identified and referred to the respective NSAs for further training. The total expenditure for YATS that year was about \$4.5 million. In 2019-20, LCSD provided \$14 million for the YATS to support 24 NSAs to implement over 900 programmes for around 29 000 athletes, representing an increase of 243% in the number of NSAs, 211% in the

subvention amount and 140% in the number of athletes respectively. The YATS has been well received by the public and has contributed to the promotion and development of these sports at the community level. Apart from nurturing many young athletes to develop their potential in sports, YATS also helped identify and train many outstanding young athletes who subsequently joined the squad teams of Hong Kong. In 2018-19, 578 talented young athletes were selected by NSAs to receive further training, representing an increase of 280% from 2004-05.

(iii.) *Primary Athletes Training Scheme*

22. The Primary Athletes Training Scheme (PATS) has been organised by respective NSAs and subvented by LCSD since 2004. It aims to identify young kids with potential for further training. Athletes with outstanding performance are selected to join the YATS and have the opportunity to take part in international competitions. Participants are recruited through open selection and given progressive training to prepare them for inter-district competitions and promotion activities, etc.

23. Starting with football in 2004, basketball, handball, judo and volleyball joined the PATS subsequently. In 2019-20, LCSD provided \$0.8 million for the PATS to support the respective five NSAs to implement over 260 programmes for 12 000 junior athletes who are mainly aged from 6 to 14. Over the years, PATS helps identify junior athletes with potential in sports and nurture them through progressive training to prepare for promotion to the YATS.

(iv.) *Feeder System Scheme*

24. The Feeder System Scheme (FSS) was introduced in 2009-10 with an aim to help NSAs identify and nurture young potential athletes at an early stage and provide them with regular opportunities to participate in training and competitions in a structured and systematic manner, thereby improving their skills and performance to reach a higher level.

25. In 2009-10, NSAs of nine sports, namely athletics, badminton, cycling, fencing, rowing, swimming, table tennis, tennis and windsurfing joined the FSS and started to offer programmes, including

development programmes, talent identification, regional and junior squad training, local competitions, overseas training and competitions. The number of NSAs joining the FSS has increased progressively in 2009-10 to 53 by 2019-20. The effectiveness of FSS is assessed in terms of achievement of performance targets set by NSAs, such as the organisation of feeder programmes, recruitment of squad members, and athletes' achievements in international sports competitions. During the past ten years, FSS functioned effectively and nurtured a significant number of athletes for further training. As at December 2018, 3 282 athletes have been identified through the FSS for promotion to higher level squads, and 780 of them have been promoted to junior squads of different sports for further training. In 2019-20, LCSD provided support to 53 NSAs for over 8 500 young athletes.

(v.) *Community Sports Club Project*

26. Community Sports Clubs (CSCs), formed and managed by volunteers, are non-profit-making organisations with an aim to promoting Sport-for-All and strengthening sports development at community level. Having a broad base membership, CSCs are ideal breeding grounds for junior players. Under the Project, LCSD assists NSAs in setting up their CSCs as well as providing financial support to these CSCs to organise programmes for young players and encourage lifelong participation in sports at community level. Taking into account the limited manpower and resources of NSAs, LCSD also provides financial support to NSAs to coordinate the Project.

27. CSCs are eligible to apply for subsidy under the SSS through the respective NSAs for organising sports development programmes, such as progressive training scheme, intermediate level training, inter-club sports competition and training of sports officials, etc. Each CSC may submit up to four applications annually. In 2010-11, the maximum subsidy for each application for organising sports development programmes for all age was increased to \$22,000. Apart from providing financial support, LCSD also organises tailor-made management development programmes and issues a half-yearly Bulletin so as to enrich the knowledge of CSC members on the planning and delivery of sports activities and share their experience in the management of sports clubs.

28. The number of NSAs joining the CSC project has increased from 26 in 2004 to 31 in 2019 whereas the number of CSCs has increased from 205 in 2004 to about 430 in 2019, representing an increase of 19% and 110% respectively. In addition, the number of sports development programmes organised by CSCs increased from 847 for over 22 500 participants in 2004-05 to 2 350 for about 51 000 participants in 2019-20, representing an increase of 177% and 127% respectively. Such remarkable growth rate indicated that the CSC project and the contribution of the CSCs to promote Sport-for-All at the community level were well received.

(vi.) *School Sports Programme*

29. The School Sports Programme (SSP) is organised by respective NSAs, coordinated and subvented by LCSD, and co-organised by the Education Bureau, the Chinese University of Hong Kong and the Hong Kong Baptist University. The SSP aims to provide diverse sports activities to enable students to participate in such activities during their leisure time to foster a sporting culture at schools. It also aims to encourage students to participate in sports regularly, raise the standard of sport performance and to identify students with potential for advanced training. It is targeted at all primary, secondary and special schools students in Hong Kong.

30. LCSD launched the SSP in 2001 and covered seven types of programmes, namely *Sport Education, Easy Sport Programme, Outreach Coaching Programme, Sport Captain Programme, Joint Schools Sports Training Programme, Badges Award Scheme and Sports Award Scheme* now.

31. In order to encourage students with disabilities to participate in sports, a series of Sports Training Programme was specially designed for students with different type of disabilities, including persons with physical disability, intellectual disability, hearing impairment, visual impairment and autism. A dedicated team has been set up in LCSD in 2018 to cater for their specific demand and physical condition, with an aim of modifying and strengthening the existing sports programmes for students of special schools with disabilities. Moreover, tailor-made and outreach programmes have been planned for students in special schools from 2019-20. It is expected that about 220 programmes will

be organised for 41 schools catering for about 10 560 participants by end of 2019-20.

32. Overall speaking, with long and fruitful development of SSP, the number of NSAs, programmes and participation rate have increased significantly. In 2001-02, 25 NSAs provided 1 188 sports activities for over 233 600 students and the school participation rate was 42%. In 2019-20, 47 NSAs provided 8 551 sports activities for about 613 000 students and the school participation rate was over 88%. Similar to CSC, the remarkable growth rate of SSP showcased its success in providing an all-round training environment for students at different levels in schools.

(vii.) *Local Competitions*

33. Since LCSD's becoming the one-stop funding agent to disburse subventions to NSAs and SOs, the number of local competitions organised by NSAs and SOs has increased significantly over the years. In 2004, 88 international events were held locally to provide more opportunities for spectators and enthusiasts to watch sports events at the international level, and to arouse their interest in sports. In 2018-19, the number of international events has increased by 25% to 110 covering mainly traditional sports such as team sports (basketball, football and volleyball), water sports (dragon boat and rowing), combat sports (judo and taekwondo), indoor sports (bowling, and squash) and outdoor sports (athletics, sports climbing, tennis and triathlon), etc.
34. There was also significant growth in local competitions designed for the general public. In 2004, NSAs organised more than 270 local competitions for 126 400 participants with the chief aim of fostering a sporting culture among players and spectators. In 2019-20, the number of local competitions has increased to 506 for some 413 600 participants, representing an increase of 88% and 227% in the number of events and players respectively. The encouraging result demonstrates the effort and achievements of all the training schemes promoted and delivered over the years.

d. Category D: Officials Training Programme cum Conferences

35. Subvention under Category D is provided mainly for the organisation of training programme and conferences for officials. With a view to enriching their professional knowledge and experience, officials and referees of NSAs are supported to attend local and/or international official/referee courses. In addition, international conferences sanctioned by the respective federations, or meetings at major championships are also supported to help NSAs keep track of the development and trend of sports in the modern world.

2.1.2 Overall Achievement of Sports Subvention Scheme

36. In view of the stringent financial situation in the past, the baseline provision of LCSD for subvention allocated to NSAs under SSS has remained broadly the same except when it secured top-up funding periodically to cater for inflationary adjustment or additional funding for organising more international events. Notwithstanding the tight financial position, plenty of opportunities were provided to nurture athletes under the training programmes of SSS. Many of these athletes have become promising elite athletes and achieved brilliant results in international events and brought glory to Hong Kong. The most common sports training programmes they have received at early stage are FSS, SSP and YATS. After being nurtured under the hierarchy of sports development in different phases, those athletes with potential for further development are identified or selected to undergo regional squad training and then junior and national squad training either at HKSI for elite sports/disciplines under Tier A/Tier A* or LCSD for the rest of other sports/disciplines. Some examples of the training profile and achievement of outstanding athletes at large scale international championships and major games are identified and listed at **Appendix I**.

2.2 Current Measures Adopted by LCSD to Improve the Corporate Governance of NSAs

37. Since the provision of funding support to NSAs through SSS in 2004, LCSD has been monitoring the performance of NSAs through the arrangement set out in the Subvention Agreement. Under the

subvention agreement, each NSA undertakes to organise specific activities for the promotion of its sports and comply with the subvention guidelines laid down in the Handbook for NSAs issued by LCSD. These guidelines cover areas such as staff and general administration, payment and accounting procedures, codes of practice, procurement practices, sponsorship and publicity. Besides, LCSD conducts periodic quality assurance checks to ensure that proper accounting procedures are adopted by NSAs and the terms of the subvention agreement are complied with. In addition, LCSD may initiate enquiry into any irregularities found and seek rectification as appropriate. LCSD also maintains close liaison with NSAs in programme planning, and carries out site inspections and supervisions on subvented activities for progress monitoring and assessments of the results achieved.

38. Currently all 60 subvented NSAs are registered under the Companies Ordinance (Cap. 622) (Ordinance) and are bound by its provisions. NSAs enjoy high degree of autonomy and independence and operate in accordance with the principles and objectives set out in their Articles of Association (AoA). Their operation and management should comply with the Ordinance and the AoA. For example, regarding the roles and duties of a board director, Section 465 of the Ordinance provides that a director of a company must exercise reasonable care, skill and diligence. A director of a company must act in good faith in the best interests of the company. He must exercise his powers for a proper purpose. The primary and substantial purpose of the exercise of a director's powers must be for the benefit of the company. The director must avoid conflict of personal interests with the interests of the company. He should observe the rules and regulations, code of conduct and obligation of the IF of the respective sports.

39. As more and more public funds are provided to NSAs, it is crucial to strengthen their accountability and closely monitor their use of public funding. Media and members of the public have shown continual interest in the good governance, sporting integrity and transparency of sport organisations. There is high expectation that NSAs should have good corporate governance as a condition of receiving public funds. Monitoring measures should also be strengthened to ensure that the resources allocated to NSAs are utilised

in a proper, transparent and cost-effective manner. Over the years, there have been concerns about the governance and monitoring of NSAs, particularly in the following areas-

- (a) effective use of subvention;
- (b) internal management such as procurement of service and goods;
- (c) conflict of interest;
- (d) handling of complaints;
- (e) transparency and accountability;
- (f) selection of athletes; and
- (g) composition of NSA's governing boards (age profile, prolonged membership, succession, check and balance), etc.

40. In response to the recommendations in Report No.53 of the Director of Audit (2009) on Administration of SSS and the report of the ICAC on governance of NSAs and administration of SSS, LCSD conducted a review on SSS in 2010-11 and has introduced a series of improvement measures on the administration and monitoring of the use of funding provided to NSAs since 1 April 2011. Continuous enhancement of monitoring measures has been and will be introduced to meet the changing needs and enhance the governance and monitoring of NSAs.

Chapter III Structure of the Comprehensive Review

41. The Review was conducted in two phases. A SC, supported by two Working Groups, was established to oversee the Review with focus on four aspects. Whilst the Review aims to identify areas to enhance the support to NSAs for sports development, LCSD has taken the opportunity to consider further measures and the resources required to enhance NSAs' corporate governance and professionalism in sports administration.

3.1 Phase I of the Review

42. Phase I of the Review aims to identify the areas of major concern of NSAs in the current mode of subvention with recommendations on measures that could address the imminent needs of NSAs and bring immediate benefits to them as well as members of the public. In order to provide more opportunities for Hong Kong athletes to enrich their experience in sports competitions and enhance the overall level of sports in Hong Kong, NSAs and athletes are encouraged to participate in more international competitions and compete with players at higher level. As reflected by NSAs/athletes, some less well-off talented players are unable to participate in overseas events due to financial difficulties. To alleviate the financial burden of NSAs as well as athletes, additional allocation has been sought to increase subvention to NSAs for participation in international competitions held outside Hong Kong, and to increase subvention for junior and regional squad training and enhance support for under-privileged athletes.
43. The subvention level of eligible items for organising various programmes was thoroughly reviewed in Phase I as well. Since the last review of the SSS in 2010-11, no adjustment has been made to the subvention level of the eligible items over the years notwithstanding the inflation. According to the Census and Statistics Department (C&SD), the accumulative increase in the Consumer Price Index (CPI) from 2012 to the 1st Quarter of 2018 is 18.6%. From time to time, NSAs reflect on various occasions that the subvention level of the eligible items lags behind the market rate. In order to maintain the quality and quantity of

subvented programmes at the intended level, we have adjusted upward ceiling subsidy of eligible items to better reflect the increase of CPI over the years. Besides, in response to the requests from some NSAs, some new items, such as winter sport gears which are tailor-made for specific sports and specific purpose have been included. This adjustment helps meet the genuine needs of athletes and strengthen support for their preparation and participation in international competitions.

3.1.1 Enhancement Measures for Phase I of the Review

44. Under Phase I of the Review, the subvention in the following areas have been examined and a package of enhancement measures were recommended for early implementation –

- (a) Subvention to NSAs for Participation in International Competitions held Outside Hong Kong;
- (b) Subvention to NSAs for Squad Training;
- (c) Subvention to Under-privileged Athletes;
- (d) Subvention of Operating Cost and the Corresponding Ceiling Subsidy of Eligible Items; and
- (e) Subvention to NSAs for New Eligible Items.

(a) Subvention to NSAs for Participation in International Competitions held Outside Hong Kong

45. In order to provide more opportunities for athletes to enrich their experience in sports competitions and raise the level of sports, NSAs and athletes are encouraged to participate in more international competitions and compete with higher level players. The current maximum subvention level for overseas events is 90% of the ceiling subsidy of an eligible item, but the actual subvention allocated is sometimes below the maximum subvention level due to limited financial resources. As such, some less well-off talented players are unable to participate in overseas events. To alleviate the financial burden of NSAs as well as athletes, the support for programmes of Category A - International Competitions held outside Hong Kong has been increased to reach the maximum subvention level of 90%. As a result, over half of the NSAs and their Hong Kong Team members could benefit under such arrangement.

46. Furthermore, extra subvention may be provided to NSAs and athletes to participate in more overseas events by allowing NSAs to include additional competition events held outside Hong Kong on top of their original plan. In order to gainfully utilise the new funding, a carrot-and-stick approach by making reference to NSAs' overall performance in governance and results in Mid-year Review will be adopted. The Mid-year Review has been introduced since 2011 with an aim to provide a timely and objective basis to assess the performance of the subvented NSAs according to agreed targets and requirements under the SSS. The top ten NSAs can get more funding support for greater number of events, whereas the bottom ten NSAs with unsatisfactory performance could only get funding support for fewer number of additional events. Taking the 2018-19 Annual Subvention Plan as a reference, 45 NSAs and over 1 000 top athletes were benefited with an increase of 90 overseas programmes.

(b) Subvention to NSAs for Squad Training

47. Many NSAs and athletes have also reflected that the current subvention for them to take part in National/Junior/Regional Squad Training Programmes under Category B were unable to meet their actual need, both in terms of number of events/trainings and the actual subvention level supported. For National/Junior Squad Training Programmes, the maximum subvention level is 90% for overseas events and 100% for local events (including events held in Mainland China & Macau), whereas that for Regional Squad Training Programmes is 90% irrespective of whether the event is held locally or outside Hong Kong. To meet the demand for squad training, additional resources have therefore been provided to NSAs to increase the number of training events and training frequencies. The subvention level was also raised to reach the maximum subvention level under the respective squad trainings.
48. Unlike National/Junior Squad Training, the maximum subvention level for Regional Squad Training held locally or in Mainland China & Macau was only 90%. Having considered the importance of mid-tier training heading to top tier, same principle of subvention for National/Junior Squad Training Programmes has been adopted, i.e., 90% subvention for overseas events and 100% for events held locally and in Mainland China & Macau respectively after the

Review. Pursuant to the 2018-19 Annual Subvention Plan, the enhancement measure covered over 30 NSAs for some 3 500 athletes to participate in 70 training programmes to reinforce the squad trainings and support the continuous development of the NSAs. More training will definitely help our athletes improve their performance and achieve better results in major international sports events.

(c) Subvention to Under-privileged Athletes

49. Apart from the above-mentioned measures to strengthen the support for NSAs and our athletes, it is considered necessary to enhance the support to those under-privileged athletes for taking part in international competitions and overseas training programmes, the maximum subvention level has been adjusted from 90% to 100%.

(d) Subvention of Operating Cost and the Corresponding Ceiling Subsidy of Eligible Items

50. Since the review of the SSS in 2010-11, no adjustment has been made to the subvention level on operating costs of NSAs despite inflation. According to the C&SD, the accumulative increase in CPI from 2012 to the 1st Quarter of 2018 is 18.6%. From time to time, NSAs reflect that the subvention level lags behind the market rate. In order to maintain the quality and quantity of subvented programmes at the intended service level, it is necessary to adjust the ceiling subsidy of eligible items taking into account the increase of CPI over the years. Based on the current provision with adjustment by cumulative CPI increase over the years, an increase of 18.6% in the subvention of operating cost has been provided under Phase I of the Review to enable NSAs to deliver their service effectively. However, the measure is a one-off adjustment to the ceiling subsidy to address the accumulated inflation from 2012. We will conduct periodic review of the ceiling subsidy of the eligible items to address the inflationary pressure.

(e) Subvention to NSAs for New Eligible Items

51. As reflected by some NSAs, some new items which are tailor-made for specific sports or for specific purpose, such as winter clothing/uniform, special gears for participation of winter sports, expenses on anti-doping, etc. are not covered in our list of eligible items at present. To address their concern, we will provide additional

funding support after updating the list of eligible items to meet the needs of athletes and to strengthen support for their preparation and participation in international competitions.

3.1.2 Implementation of Measures of Phase I of the Review

52. Arising from Phase I of the Review, it was announced in the 2019-20 Budget Speech that an additional recurrent provision of over \$25 million and an extra two-year subsidy totalling \$35 million (for 2019-20 and 2020-21) would be allocated to implement the above enhancement measures so as to enhance the funding support for 60 subvented NSAs. The funds aim to support their participation in overseas competitions to offer more squad training programmes, to support under-privileged athletes and to cover other operating costs. Moreover, a one-off grant of \$15 million would be provided to NSAs for staff training and further studies, procurement of equipment and improvement of office facilities, etc. As such, a total of over \$57 million was secured to implement the enhancement measures of Phase I of the Review in 2019-20. All enhancement measures under Phase I of the Review have been implemented in 2019-20 as scheduled.

3.2 Phase II of the Review

53. Phase II of the Review aims to review local and overseas practices in four aspects, namely funding principles and eligibility criteria to join the SSS, allocation of subvention and level of subsidy, incentives to attract and retain experienced staff for NSAs, and measures to enhance the administration of the SSS, including the corporate governance, monitoring system and best practices for NSAs and SOs. It was conducted in two parts, namely a *Local Study* on all subvented NSAs, SOs, major stakeholders and relevant parties, and an *Overseas Study* on eight overseas countries.

3.2.1 Local Study

54. The local study was conducted by LCSD from October 2018 to April 2019 through a questionnaire survey for all subvented NSAs and SOs, followed by a series of consultation, including face-to-face

interview, open forum, small group discussion, etc., with the subvented NSAs, major stakeholders and members of the public. The constructive feedback collected from relevant parties is valuable for LCSD to draw up possible enhancement measures. More details of the arrangement regarding the local study are elaborated in Chapter IV.

3.2.2 Overseas Study

55. In parallel, LCSD appointed a consultant to conduct a research study on the mode of subvention to NSAs and SOs in overseas countries. The Hong Kong Baptist University (HKBU) was appointed as the Consultant to conduct the research study from October 2018 to April 2019. As the objective/policy in sports development varies in different countries, the Consultant was required to study eight overseas countries on the mode of subvention to NSAs as well as SOs and identify the differences between Hong Kong and these places. Based on the information obtained from the study, the Consultant identified the service gaps and suggested areas for improvement.
56. For the eight overseas countries under study, LCSD has confined the areas to Asia, Europe, North America and Oceania where the sports development is more mature and well-developed. These eight countries include Australia, Canada, Singapore and the United Kingdom suggested by LCSD and Belgium, Japan, South Korea and United States selected by the Consultant. The final report was submitted to LCSD in November 2019. More details of the overseas study were elaborated in Chapter V.

Chapter IV Local Study on Sports Subvention Scheme

57. Over the years, LCSD has been working closely with NSAs, SOs and relevant stakeholders to promote sports in Hong Kong. There have been grievances from NSAs on the insufficient amount of subvention and manpower support. Besides, the media and the general public have concerns over the unsatisfactory level of the corporate governance of NSAs from time to time. To further enhance sports development in Hong Kong, it is high time to conduct a comprehensive review of the SSS.

4.1 Results of the Local Study

58. The local study on SSS was conducted by LCSD between October 2018 and April 2019. It comprises mainly the following four components-

- (a) a tailor-made questionnaire survey to collect feedback from NSAs and SOs on the current mode and practices for SSS;
- (b) face-to-face interviews with NSAs and major stakeholders ;
- (c) open forums with different target groups, including athletes, parents, office bearers, subvented staff, officials and volunteers; and
- (d) soliciting public opinions by mail and electronic means, including fax, e-mail and LCSD's website.

4.1.1 Questionnaire Survey

59. A tailor-made questionnaire covering four major areas, namely *Funding Principles of the Scheme; Subvention to NSAs/SOs; Human Resources Management and Corporate Governance as well as Monitoring System* was sent to all subvented NSAs and SOs (**Appendix II & III**) in November 2018 to collect their feedback and comments. All 60 subvented NSAs (100%) returned the completed questionnaire by 31 December 2018. The feedback was reported at the SC meeting on 23 January 2019 and was summarised in the following paragraphs 60 to 66.

60. *Feedback from NSAs*

The questionnaire comprises 18 questions related to four major areas. To allow NSAs to express their views freely, most of the questions were open-ended. Regarding the overview on the aspect of funding principles, more than half of the NSAs considered the lump-sum grant subvention mode effective or very effective. Some NSAs suggested extending the lump-sum subvention approach to cover the Development Programme under Category C to allow more flexibility in funding arrangement (Table 1). On funding cycle, 54 NSAs (90%) considered the existing funding arrangement acceptable, effective or very effective (Figure 2). Regarding the current list of eligible items, 37 NSAs (62%) opined that the list was acceptable, exhaustive or very exhaustive. There were strong requests for topping up the ceiling of individual items and expanding the list of eligible items to meet current needs (Figure 3).

Lump-sum Subvention and Non Lump-sum Subvention						
Subvention on Events	Very Effective (%)	Effective (%)	Acceptable (%)	Ineffective (%)	Very Ineffective (%)	No Comment (%)
Lump-sum Subvention						
AI	10 (17%)	31 (51%)	10 (17%)	3 (5%)	0 (0%)	6 (10%)
BI	11 (18%)	33 (55%)	9 (15%)	4 (7%)	0 (0%)	3 (5%)
BII	8 (13%)	25 (42%)	8 (13%)	4 (7%)	0 (0%)	15 (25%)
DI	5 (8%)	35 (59%)	11 (18%)	6 (10%)	3 (5%)	0 (0%)
DII	6 (10%)	31 (52%)	12 (20%)	9 (15%)	2 (3%)	0 (0%)
Non Lump-sum Subvention						
C	6 (10%)	24 (40%)	16 (27%)	6 (10%)	0 (0%)	8 (13%)
Remarks: AI - International Events held outside Hong Kong BI - National/Junior Squad Training BII - Regional Squad Training DI - Official Training Programme DII - Meetings and Conference C - Development Programme						

Table 1 - Overall Views on Lump-sum Subvention and Non Lump-sum Subvention

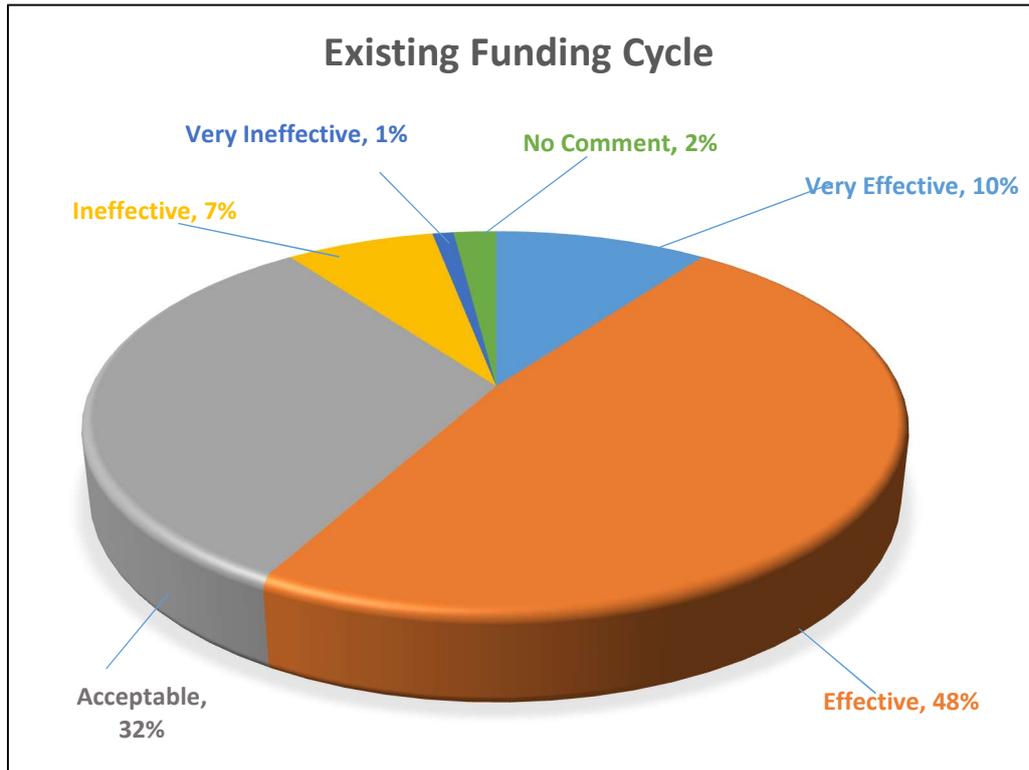


Figure 2: Feedback on Existing Funding Cycle

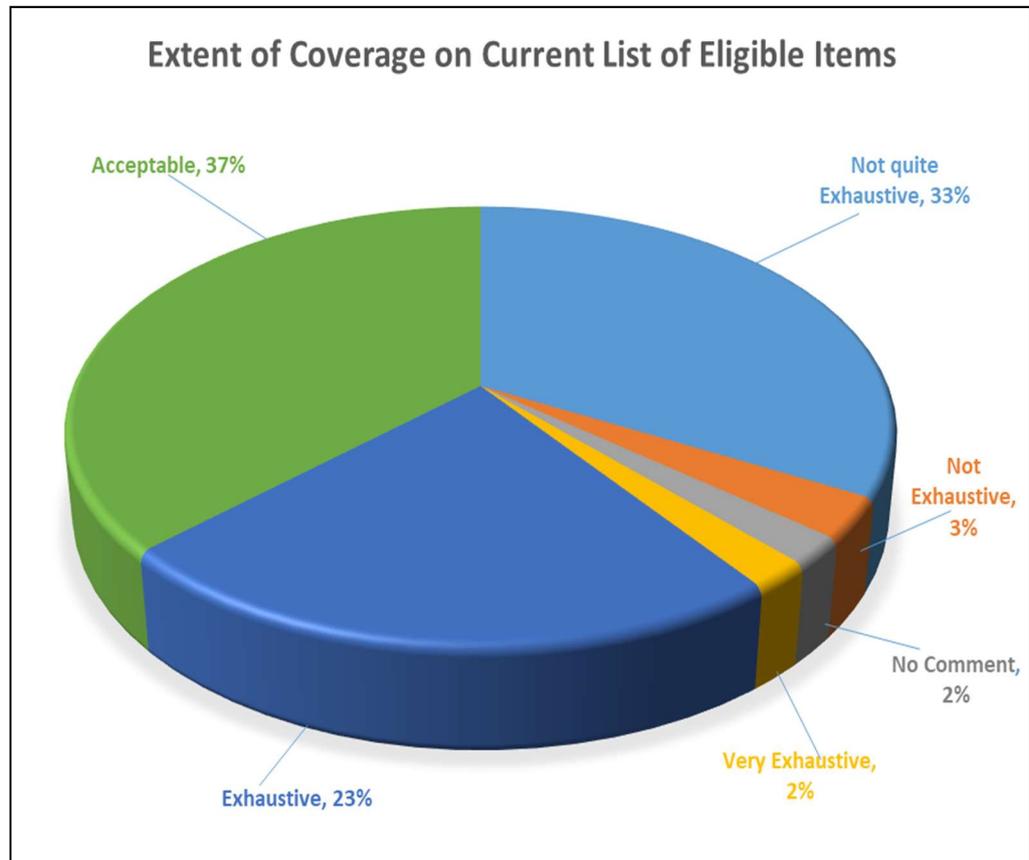


Figure 3: Feedback on Existing Eligible Items

61. *Funding Principles of the SSS* (Figure 4)

40 NSAs (67%) supported an extension of the funding cycle from one year to two or more years while the remaining NSAs showed reservation to the change or expressed no specific comment. Only 24 NSAs (40%) were in favour of devising a mechanism to improve the governance and performance of NSAs. While 23 NSAs (38%) supported allowing non-subvented NSAs/SOs to receive funding for participating in high level overseas competitions, 21 NSAs (35%) opposed the proposal. The NSAs with a positive attitude to the proposal considered that it would encourage more athletes to take part in prestigious events and help elevate the level of local athletes. On the other hand, NSAs that showed reservation were concerned about the accountability of non-subvented NSAs, the eligibility criteria and recognition mechanism, and safety standard, etc.

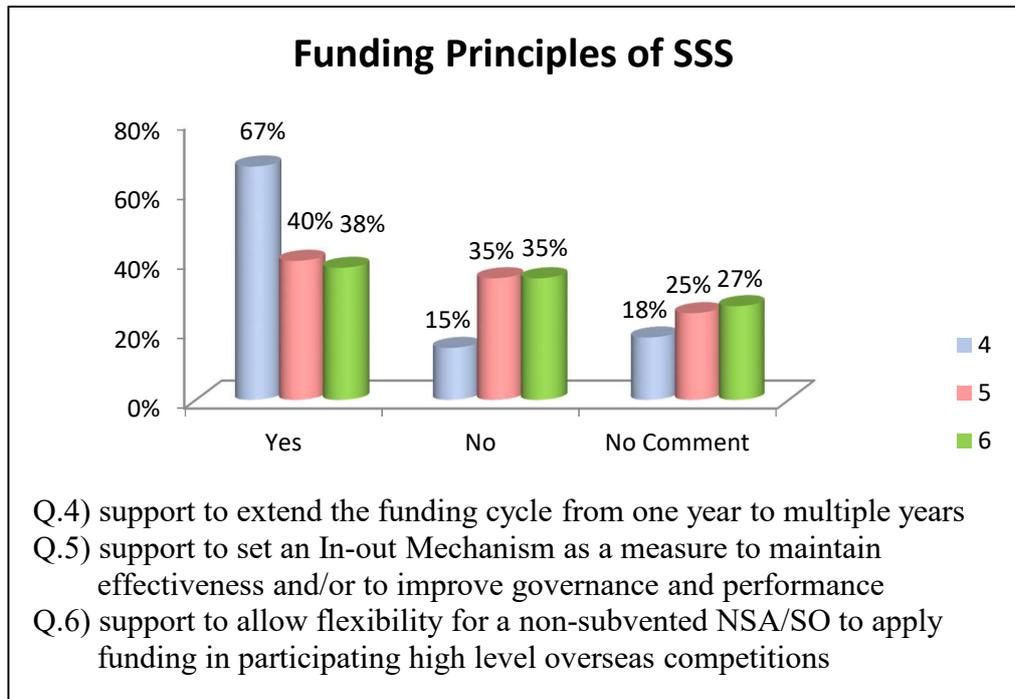


Figure 4: Funding Principles of SSS

62. *Subvention to NSAs* (Figure 5)

A majority of NSAs (52 at 87%) supported increasing the subsidy on programme cost for International Events held outside Hong Kong (AI events), particularly those of the team only sports which had to shoulder a relatively heavy financial burden due to the large number of their team members. Besides, 46 NSAs (77%) supported the proposal to alleviate the financial burden for under-privileged athletes

to take part in trainings and competitions. In fact, some of the NSAs had already provided additional support to athletes with genuine financial need.

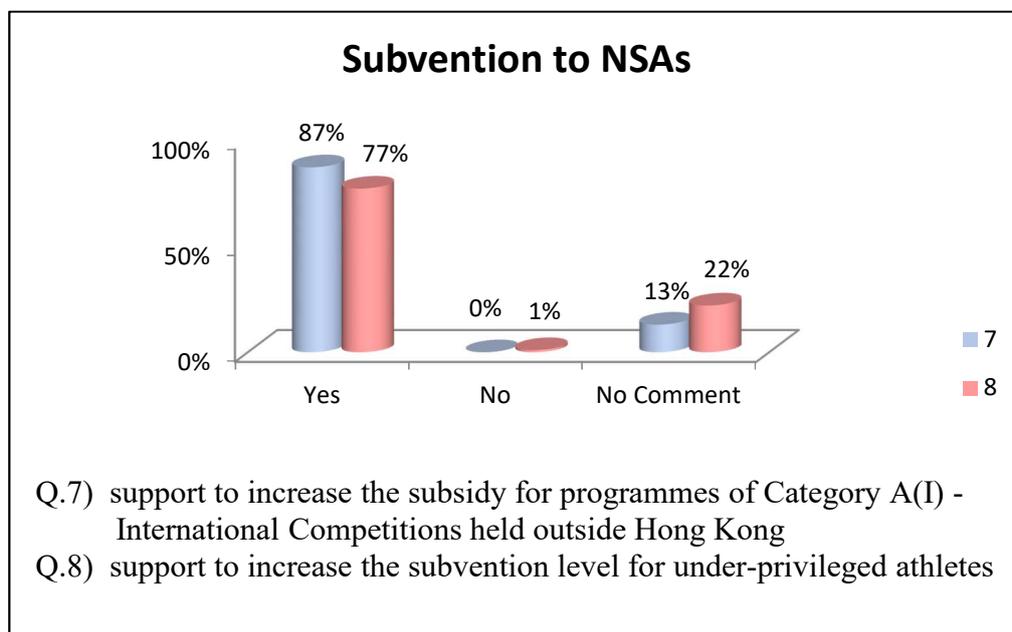


Figure 5: Subvention to NSAs

63. *Human Resources Management* (Figure 6)

Regarding human resources management, providing incentives to attract and retain talents of NSAs was the most pressing concern of NSAs. 45 NSAs (75%) expressed difficulty in recruiting subvented staff and 52 NSAs (87%) found it extremely difficult to retain staff. Most of the NSAs claimed that the lack of salary increment and promotion prospects, and the lack of training and fringe benefits were the most serious problems that led to a high turnover rate of subvented staff. Raising of retirement age did not seem to be a primary concern for current subvented staff. Although 38 NSAs (64%) supported the raising of retirement age, they reflected that salary structure and promotion hierarchy were more effective in retaining experienced staff.

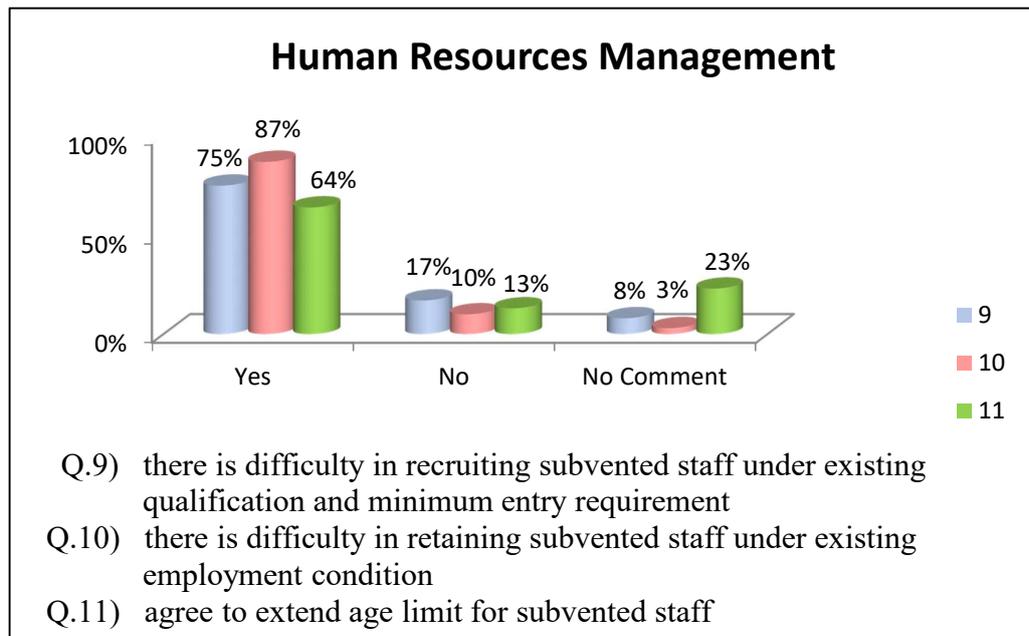


Figure 6: Human Resources Management

64. *Corporate Governance and Monitoring System* (Figure 7)

With regard to the effective use of government funding, 34 NSAs (56%) agreed that there was room for improvement in the financial management and internal governance of NSAs. Many NSAs, especially small size NSAs with only two subvented staff members, faced difficulty in complying with the relevant accounting and procurement requirements. Even the NSAs for elite sports which have relatively stronger manpower support commented that the existing staffing structure could hardly cope with the rigorous requirements of corporate governance and internal compliance imposed by the Government. Frequent staff turnover resulted in difficulty in continuation of administration and created severe manpower shortage as more manpower were required to train new staff to follow the accounting and procurement procedures in force.

65. As for improving corporate governance of NSAs, less than half of the respondents 26 NSAs (44%) agreed that there was room for improvement while 23 NSAs (38%) had no comment on the existing practices on selection mechanism for athletes representing Hong Kong to participate in overseas competitions. Some of them commented that fairness and transparency should be adopted and/or had already been adopted for the selection and that an impartial appeal mechanism was very crucial. On the other hand, 21 NSAs (35%) agreed that there was

room for improvement on the existing election mechanism for Board/Executive Committee composition, whereas 39 NSAs (65%) did not consider any change necessary nor offered any comment on this issue. Besides, 34 NSAs (57%) had no comment on the matter on membership system and admission requirement.

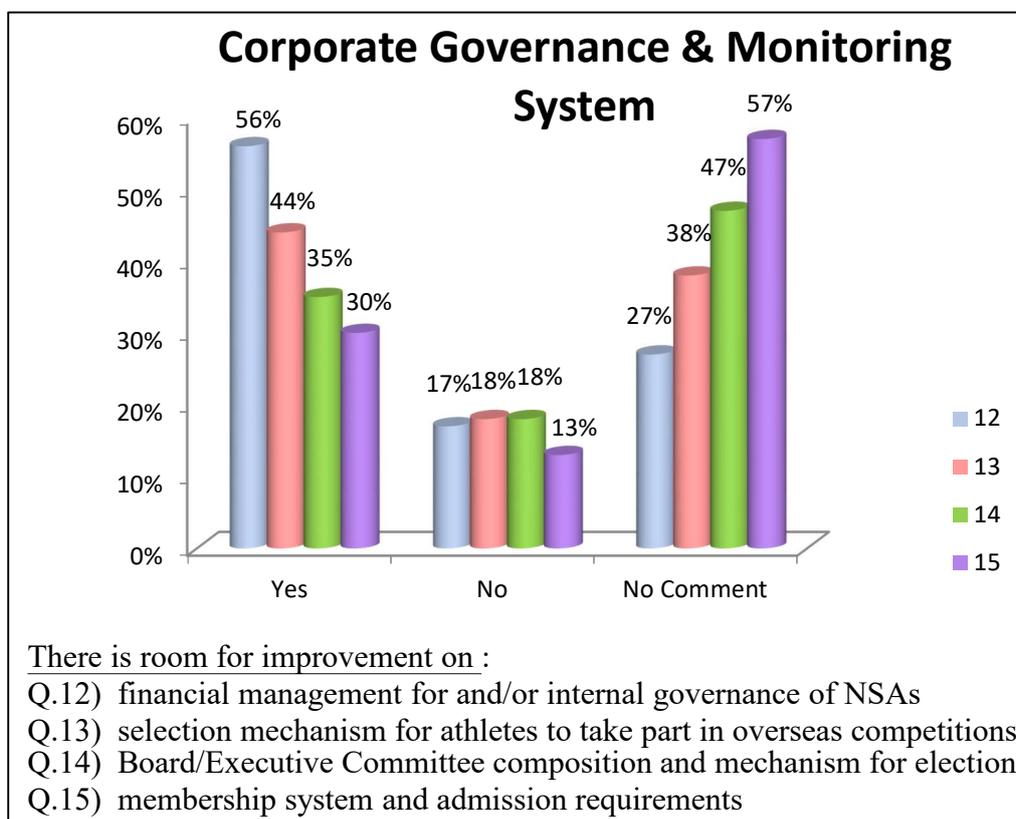


Figure 7: Corporate Governance and Monitoring System

66. Given that all NSAs had already been registered under the Companies Ordinance, they reflected that the internal governance should be bound by their AoA. Some NSAs reflected that governance was an internal matter and intervention by government was not advisable. Some of them suggested enriching the composition of board of directors. Others suggested that LCSD or other professional bodies could provide guidelines for reference and organise regular training on corporate governance to enhance internal control and monitoring. At the same time, they also appreciated LCSD's effort in arranging training and seminars on governance provided by the Hong Kong Institute of Directors (HKIoD) in recent years. Given the effectiveness of the seminars, they hoped that the upcoming series of training programmes would continue to meet their needs.

4.1.2 Consultation with Major Stakeholders

67. A series of face-to-face interviews were held to solicit the views of major stakeholders, including SF&OC, HKSI, Hong Kong Recreation Management Association, and NSAs of different categories of sports, e.g. team, racket, aquatic sports, disabled sports and school sports between November 2018 and February 2019. Individual interview with a total of 21 groups was conducted (**Appendix IV**).
68. Views and comments were collected during the consultation to cover the scope of research study in the four major areas. Regarding the funding principles and eligibility of the SSS, most of the respondents were satisfied with the existing funding principles and welcomed the enhancement, the monitoring system and the introduction of a penalty mechanism. With regard to the subvention level, many of them supported extending the funding cycle to two or three years to facilitate long-term planning of development strategy but some showed reservation and were content with the existing arrangement.
69. Human resources management, especially staffing and salary structure for subvented staff, were their primary concerns among the four major areas of research study. Many of them suggested providing salary increment to retain experienced staff and merit award to recognise their contribution and loyalty. Some others suggested allowing more flexibility on internal promotion as a means to enhance job satisfaction and to create opportunity for promotion prospect as well.
70. As for monitoring and corporate governance, they supported enhancing the professionalism and monitoring of corporate governance especially for selection of athletes and strengthening the board management, etc. They all agreed with the enhancement of management knowledge of board of directors, executive committee members and senior staff. At the same time, they also appreciated LCSD's hard work of arranging training and seminars on governance provided by HKIoD in recent years. They would like LCSD to provide more training opportunities to meet different needs.

Consultation with NSAs & Major Stakeholders

NSA / Major Stakeholder		Scopes of Study				
		Funding Principles, Cycle & Mechanism	Allocation of Subvention & Subsidy Level	Incentives to Attract & Retain Talents	Corporate Governance & Monitoring System	Others
NSAs	16	7	2	16	11	3
Major Stakeholders	5	2	-	4	4	-
Total	21	9	2	20	15	3

Table 2: Summary of Feedback collected during Consultation Meetings

4.1.3 Open Forums for Focus Groups

71. Five open forums were conducted at for different focus groups between February and April 2019. The first three forums were for office bearers, members of executive committee and/or board of directors of the NSAs, subvented staff, athletes and their parents, coaches, officials and volunteers, etc., with 53 NSAs and 2 SOs enrolled. Out of the four scopes of study, *Incentives to attract and retain talents of NSAs* under Human Resources Management (Scope C) and *Corporate Governance and Monitoring System of an NSA* (Scope D) received most attention.

72. In order to enable athletes to express their concerns directly apart from channels of NSAs, two more forums were arranged for elite athletes of the HKSI and Hong Kong Elite Athletes Association respectively. Their concerns mainly focused on venue support for the squad/pre-squad training and competition, provision of equipment for training and support services provided by coaches, referees and physiotherapists, enhancement of coaching education, referee training and provision of incentives to retain subvented staff, etc.

4.1.4 Opinion Collected from Open Channels

73. We invited public to write to us or express their opinion through our tailor-made webpages between January and February 2019. Views received were mainly about concerns on *Incentives to attract and retain talents* (Scope C) and *Corporate Governance and Monitoring System of an NSA* (Scope D).

4.2 Major Findings and Exemplars

74. The survey results demonstrated that NSAs showed grave concern on the *Allocation of Subvention and Subsidy Level* (Scope B) and *Incentives to attract and retain talents* (Scope C). Insufficient subsidy on programme cost for AI events³ was particularly serious among NSAs of team sports as they had to shoulder a heavy financial burden to support a large number of team members. All multi-sport NSAs showed great concern about the lack of staff to deal with the ever-increasing workload and complexity of work due to their multi-sport nature. They requested a rise in the subvention level for AI events. Regarding human resources management, the high turnover rate of subvented staff was mainly due to the lack of salary increment and promotion prospect.
75. As for the feedback received at face-to-face interviews, *Incentives to attract and retain talents* (Scope C) and *Corporate Governance and Monitoring System of an NSA* (Scope D) were the major concerns of the stakeholders. Similarly, out of the four scopes of study, *Incentives to attract and retain talents* (Scope C) and *Corporate Governance and Monitoring System of an NSA* (Scope D) were the major issues raised at open forums and open channels.
76. Views and comments collected from the respondents in local study were very useful for the Review. Since the issue of retention of talents was the primary concern of NSAs, we see a genuine need to address the problem. Besides, there is also a need to provide additional funding support in sports subvention, especially for NSAs of team sports

³ International Events Held Outside Hong Kong

and multi-sport. As public funding is involved, we see a need to enhance Corporate Governance and Monitoring System of NSAs. Further tailor-made training for office bearers, subvented staff and voluntary officials would be desirable.

Chapter V Study on Sports Subvention in Overseas Countries

5.1 Research Study on the Mode of Sports Subvention in Overseas Countries

77. LCSD has appointed HKBU as the consultant to conduct a research study on the mode of subvention to NSAs and SOs in eight countries between October 2018 and April 2019. With a view to examining the mechanisms and mode of delivery for sports subvention, eight overseas countries with leading position and/or similar background in sports development to Hong Kong were selected. Out of these overseas countries, three were in Asia (Japan, Singapore and South Korea), two in Europe (Belgium and the United Kingdom), two in North America (Canada and the United States) and one in Oceania (Australia). Different regions/states within some countries such as Canada, Belgium, and the United Kingdom have separate subvention policies. The Consultant therefore selected one region from each of these countries as an example for the study, including the province of British Columbia of Canada, Flanders of Belgium, and England of the United Kingdom.
78. The Consultant carried out an online desk research and obtained information from different sources including governments, NSAs and website of other sports organisations. The data collected was used for a comparative analysis of each country's approach towards sports subvention in both high performance and mass participation programmes. Limitations were encountered during the research period due to language barriers, for example, the scarcity of information about Japan and South Korea in English and the limited transparency of policies available to the public. The Consultant has overcome the difficulties through consultation and frequent communication with industry professionals in each country, inclusive of government staff, representatives from NSAs and academics.
79. In addition to overseas study, the Consultant also interviewed senior administrative staff members of six NSAs in Hong Kong in order to collect supplementary information for comparison with other countries. By identifying the strengths and weaknesses, as

well as consolidating their differences in the mode and level of subvention of these overseas countries from those of Hong Kong, it is valuable to identify the service gaps and areas for improvement in respect of the mode of subvention in Hong Kong.

80. The Consultant has produced a comprehensive report on the research study of the mode of subvention to NSAs and SOs in the eight overseas countries. The Executive Summary is enclosed for reference at **Appendix V**. Meanwhile, some valuable information and good practices in each countries are extracted in the following paragraphs as a framework for analysis and highlight as the reference for enhancement measures. The term “*national sports association*” commonly used in Hong Kong is not universally adopted by the countries covered by the study. They are known as *sports federation* in Flanders of Belgium, *national governing body* (NGB) in England of the United Kingdom and the United States, *national sports association* (NSA) in Singapore, *national sports federation* (NSF) in Japan and South Korea, *national sports organisation* (NSO) in Australia and British Columbia of Canada. Irrespective of the names, these sports associations are the only national organisations that represent the country internationally for a particular sport and should have sound financial situation and good governance.

81. Most countries have specific legislations that outline the responsibilities and commitments of the government, and NSAs to the sporting industry except Singapore and the United Kingdom. In Singapore, NSAs are required to be registered as societies and charities so they are governed by the Societies Act and Charities Act. Similarly, there is no sport law in the United Kingdom as NGBs are subject to the same laws governing business entity in England.

82. To facilitate a comparison of subvention level for NSAs in the eight overseas countries, the subvention figures are converted to Hong Kong dollars for consistency. However, the subvention amount of the eight overseas countries denoted in the research study can only serve as rough reference as it may include funding other than subvention, such as capital project cost, facility management, etc.

5.1.1 Mode of Subvention in Asian Countries

83. Three countries in Asia were selected for the study, namely, Japan, Singapore and South Korea. Singapore was one of the countries recommended by LCSD due to its similar background with Hong Kong. On the other hand, Japan and South Korea were proposed by the Consultant in view of their achievements in sport development in the region.

a. Japan

84. The Japan Sports Agency (JSA) is the main governing body for sports subvention in Japan. JSA was set up by the Japanese Government in 2015 as a quasi-governmental body under the Ministry of Education, Culture, Sports, Science and Technology⁴. JSA allocates subvention to the Japanese Sports Council (JSC), which is responsible for distribution of sports promotion subsidies, sports science research, and support for the improvement of international competitiveness in terms of high performance sports. JSC in turn distributes funding to NSFs via the Japan Olympic Committee (JOC) to enhance the development of high performance sport. In terms of mass participation, JSA allocates funding to NSFs via Japan Sport Association (JASA) which is responsible for promoting national sports, strengthening domestic sports competitions, and promoting sports for life.

85. In Japan, an NSF must be an official member of JOC/Japan Paralympic Committee as well as the JASA in order to receive government subvention. The amount of subvention is determined by several factors, including the potential ability to receive medals in Olympic Games or major international/world championships, the number of medals won in Olympic Games, talent development for strengthening international power, as well as compliance level of an NSF to JOC's requirement. There is no formal system of assessment for NSFs but JSA and JSC would review their annual performance. There is also a scoring system where NSFs are ranked to determine the

⁴ The Ministry of Education, Culture, Sports, Science and Technology has been in charge of administering core sports policies including physical education in school and lifelong sport since 2001 after merging of the Ministry of Education, Science Sports and Culture and the Science and Technology Agency.

amount of subvention to be received in the following year. The funding is distributed on an annual lump-sum basis. All unused funds must be returned to the JSC annually. The JSC, however, can set aside unused funds for distribution in the next year and does not have to return the saving to main government body, the JSA. In case of violation of funding guidelines, funding will be withheld.

86. All NSFs in Japan are independent and each NSF has its own regulations concerning organisational structures, personnel, and service of offices. Codes of Conduct are independently developed by each NSF. In 2017, a total amount of over \$2,293 million was allocated for subvention, covering 55 NSFs and six associate members of JOC in Japan.

b. Singapore

87. Sport Singapore (SportSG) is a statutory board tasked with providing subvention for NSAs in Singapore. SportSG aims to create greater sporting opportunities and access, more inclusivity and integration as well as broader development of capabilities. It is responsible for investing in high performance sports development programmes as well as funding sporting talents and professionals. As the national sports agency, SportSG works in collaboration with a vast network of public-private-people sector partners to enhance the life quality of citizens through sports. Based on SportSG's Vision 20305, the government's strategic vision for promoting sport culture in Singapore, the Active Singapore (ActiveSG) was established in 2014. ActiveSG is a mass sport participation program under SportSG and has recruited 40% of the Singapore population (1.6 million) to be members of its registered clubs.

88. Funding for NSAs in Singapore is assessed annually, but offered on a multi-year, annual or target-basis. In general, the level of funding is determined by the level of alignment with SportSG's Vision 2030 with the core values of Strength Through Teamwork, Passion for Sports and Care for People, the achievement in the agreed Key Performance Indicators (KPIs), the capabilities in governance and execution; as well as the existence of a sound plan for the development

⁵ <https://www.sportsingapore.gov.sg/About-Us/Vision-2030>

of the sport that is supported by members, among other factors. On the other hand, target-based funding is provided as non-lump-sum subvention and is used for special events or projects. The level of funding is determined by the nature of program, i.e. whether it is for high performance or mass participation, the NSA's business capability, finance and governance, etc. As each NSA has specific needs, situations and areas of focus, Singapore Sport Institute (SSI) and SportSG determine the amount of funding on a case-by-case basis.

89. To explore more alternative sources of funding, SportSG encourages NSAs to rely less on government funds and SSI strongly recommends each NSA to be self-sustainable for carrying out its operations. Government contributions can range from 20% to 90% of an NSA's annual budget. More leeway is provided to NSAs of relatively new sports with a maximum subvention funding level of 90% as they need more government support. Matching schemes are also introduced to generate funding for high performance sports. The Singapore government will match 50% of funds raised through donations up to about \$11.6 million. All unused subvention must be returned to SportSG within six months. Penalty mechanism is strictly enforced by SportSG at different levels if an NSA is found to have violated the terms of its funding agreement. SSI reviews the financial management and compliance level of each NSA every three to four years and enforces punishment if necessary. Funding will be suspended if an NSA's performance is considered highly unsatisfactory until all related issues are resolved and SSI is content with the NSA's performance. For more serious cases, such as misappropriation of funds, SportSG would refer them to the police.

90. According to the research study, none of the selected countries has distinguished between team and individual sports in the allocation of funding except Singapore, where the number of players in a sport team is taken into consideration when recommending funding allocation.

91. Similar to the situation in Japan, all NSAs in Singapore are independent. NSAs have their own constitution concerning human resource management and staff matters. On the other hand, the code of governance provides that staff members cannot constitute more than

one-third of the management board. The code of conduct also contains restriction on the terms of board members, terms of reference of the Board, procedures to deal with conflicts of interest and documentation and accounting of investment policy, cash donations, in-kind donations, and requirements for internal controls for financial matters, etc. In 2017, a total amount of over \$1,726 million was allocated for subvention for 45 NSAs in Singapore.

c. South Korea

92. In South Korea, governmental funding is solely allocated to sports organisations that are official members of the Korea Sports & Olympic Committee (KSOC). Financial support is not available for associate members or sports organisations for new sports. KSOC is responsible for encouraging nationwide sports activities in three aspects-

- (a) promoting school sports and recreational sports to enhance people's health and physical strength;
- (b) enjoying leisure for good use and welfare; and
- (c) fostering excellent athletes for the promotion of national prestige.

In practice, only official sports for the Olympic and Asian Games events are recognised by the KSOC.

93. KSOC reviews and determines the lump-sum subvention to each NSF according to its annual budget. The allocated amount is based on the NSF's size, needs and other criteria including the number and quality of their annual projects rather than type of sports. The most important principle for government subvention is to ensure that NSFs are equally and sufficiently supported to be competitive in their sports. Performance evaluations of all NSFs are conducted annually by a Performance Evaluation Committee. Given the amount allocated to each NSF may include labour and administrative expenses that, there is no way to determine the amount of support provided for staffing. While most funding is allocated in the form of business expenses, no reserve fund is allowed. NSFs must return the balance of unused fund to the government. Suspension for the misuse of funds is based on specific projects rather than penalising the entire association. KSOC's advice must be sought for cases where NSFs appeared to have misbehavior or managerial issues.

94. All NSFs are independent organisations with their own regulations governing organisational structures, personnel, and service of offices according to the rules and guidelines of KSOC. The salary for subvented staff is determined by each NSF. As an incentive for staff, each NSF will nominate their employees, both subvented and non-subvented, to KSOC for an outstanding service award. KSOC reviews the nominees and selects around 10 employees for the award every year. Outstanding NSFs are also recognised. KSOC provides outstanding members with monetary rewards as incentives, including an increase in subvention. Governance and Codes of Conduct are determined by each NSF as well. In 2017, a total amount of over \$8,999 million was allocated for subvention covering 59 NSFs in South Korea. In terms of subvention amount, South Korea provided the highest subvention to NSFs among the eight countries in the study. In order to ensure effective use of the subvention, KSOC organised workshops or seminars for NSFs, on important issues, such as accounting and settlement, project operation guidelines and best practices, as well as education and training on the needs of accounting education and national subsidy management systems.

5.1.2 Mode of Subvention in European Countries

95. Two countries in Europe were selected for the study, namely Belgium and the United Kingdom. The United Kingdom was one of the countries designated by LCSO while Belgium was selected by the Consultant for its good performance in the recent Summer Olympic Games. In addition, Belgium was considered an ideal representative of European countries since it made reference to the practice of other European countries when developing its sport subvention system in recent years.

a. Belgium – Flanders

96. The formulation of sports subvention policy in Belgium is delegated to the regional government. The Dutch speaking Flanders, which is in the northern part of Belgium, was taken by the Consultant as an example for the study. The sport federation in Flanders, under Sport Flanders (SF), receives funding from the Flemish Ministry. Since the main goals of SF are to increase sport participation and

quality, it supports the Flemish Government with the preparation and evaluation of the Flemish sport policy in ‘sport–for-all’ and elite sports. SF has two sources of income: the Ministry for Culture, Youth, Sports, Media and the national lottery. SF provides funding for recognised sport federations.

97. There are three types of subvention, namely the basic subvention; the subvention for a specific policy focus (i.e., youth sports, ‘sport for all’, innovative sports, sport camps) and the elite sports. The basic subvention, which is granted under a multi-year arrangement in line with the Olympic Games for a four-year cycle, is available to all recognised sport federations. Currently, there are 47 sports federations receiving basic subvention. Participation in the Olympic Games, Paralympic Games, Youth Olympic Games, European Games, European Youth Olympic Festival and the World Games may be qualified to receive subvention for elite athletes. Presently, 24 sport federations receive additional subvention for their focus on elite sports. Part of the funding may be withheld if the funding criteria is not met. No reserve fund is allowed.

98. Every sport federation can determine their own number of staff and their salary structure. The law does not limit the number of employees for a federation. Remuneration of staff members is determined by their qualifications and the corresponding pay level in the private sector. Pay level may be adjusted on an annual basis in view of seniority and the index of pay adjustment determined by the government. To ensure good corporate governance, the Flemish Government requires the adoption of a comprehensive code of good governance, which provides guidelines on AoA, internal regulations, organisation charts, sport rules, multi-annual policy plan and a code of conduct outlining members’ obligation to act with integrity, rules on expenses, rules on gifts, rules on conflicts of interests, etc. Complaint handling must be outlined in bylaws to ensure fairness and encouragement of external board members to sustain transparency. In 2017, a total amount of about \$263 million was allocated for subvention for 71 sport federations in Belgium.

b. United Kingdom

99. Among the four constituent counties of the United Kingdom, England was selected by the Consultant as an example in the study. Sport England (SE) is the main governing body for sports subvention in England. It is a non-departmental public body under the Department for Digital, Culture, Media & Sport (DCMS). SE focuses on supporting the development of mass sport, and invests in programmes that aims at promote mass participation in physical activities. SE makes its own funding decisions within a scope determined by Minister for Sport and Civil Society, who is ultimately accountable to the Parliament and to the public. It also receives grant-in-aid from DCMS and distributes funds raised by the national lottery under the provisions of the National Lottery Act 1993. In recent years, SE began to seek alternative sources of income apart from DCMS and National Lottery Fund, including revenues such as levies from soft drink industry and social enterprises. In addition to SE, UK Sport is also one of the national-level sports-related organisations in England, its role is to secure financial resources for Olympic and Paralympic athletes in order to maximise their potential for medal success.
100. National Governing Bodies (NGBs) in England are independent membership organisations that have a regulatory or a sanction function. Every sport has a different governing body. Currently, there are 131 recognised NGBs in England. The mode of multi-year subvention has been adopted in England as both UK Sport and SE follow a 4-year cycle in providing funding to NGBs. However, the funding cycle for programme subvention may vary, depending on the funding request made by NGBs. NGBs must meet governance requirements ⁶ before being invited to apply for subvention. Meetings are held with all relevant NGBs to discuss the new governance standards and NGBs are required to demonstrate how they meet these standards. NGBs that receive funding are regularly reviewed by an independent external assessment to keep track of their KPIs and metrics. There is also an annual self-assurance exercise which requires the NGBs to upload to their website documents, including the constitution, board membership, etc. These reviews

⁶ <https://www.sportengland.org/media/10842/ngb-investment-guide.pdf>

ensure the effectiveness and regulations compliance to NGBs. Based on the reviews, the funds may be withdrawn or withheld for poor performance, and transferred to NGBs with outstanding performance.

101. In 2017, SE and UK Sport introduced a new Code of Sports Governance, which affords NGBs the flexibility to fulfill compliance requirements by adopting a tiered approach. NGBs can follow different schedules for meeting the compliance standard in accordance with their unique situation. The mandatory governance control requirements within each NGB that receives funding from SE depend on the tier level of which the subvention the NGB receives⁷. Tier 1 is granted on a one-off basis and the total amount of funding is less than or equal to \$2.6 million. Tier 2 is categorised between Tier 1 and 3, whilst funding for Tier 3 is granted over a period of years for continuing activity. The total amount of funding for Tier 3 is greater than \$10.3 million. Similar to governance control requirements for staff establishment, the monitoring and corporate governance requirements for each NGB that receives funding from SE depend on their tier level. SE does not provide any protocol or salary structure for NGBs.
102. There is no sport law in the United Kingdom. NGBs are subject to the same laws that govern business entities in England. However, a new Code for Sports Governance has been imposed on NGBs that receive Government and National Lottery funding from April 2017 onwards. The Code, which has different provisions for three tiers of NGBs, is imposed on organisation that seeks funding from SE or UK Sport. It sets out the levels of transparency, accountability and financial integrity required. A comprehensive list of governance requirement for Tier 3 is provided by the Consultant in the report.
103. SE invests directly in volunteering projects in order to increase the number of active volunteers. Guidance on the basic requirements of specific volunteer roles is provided but NGBs enjoy a high degree of flexibility. Funded by the National Lottery, SE invests heavily in volunteering, targeting economically disadvantaged communities and young people. In 2017, a total amount of about \$6,683 million was allocated for subvention covering 131 NGBs in England.

⁷ <http://www.uk sport.gov.uk/resources/governance-code>

5.1.3 Mode of Subvention in Oceania

104. In the light of its vibrant sporting culture and well-established model of sport development, Australia was selected as one of the countries for the study.

a. Australia

105. Sport Australia (SA) is the main governing body for subvention of sport in Australia. It operates under the Australian Sports Commission which reports to the Department of Health. The Australian Institute of Sport (AIS) is part of SA and works in collaboration with NSOs in providing targeted investment, leadership, educational assistance and other resources for a range of interest groups. SA targets elite athletes, school children, local communities, women, and the elderly.

106. SA has released its 2030 vision for the future of sport in Australia. “Sport 2030” is Australia’s first national sport plan which aims to build a more active Australia; achieve excellence in the field of sport; safeguard integrity; and strengthen the sport industry⁸. Under the plan, there is no particular change in level of funding for high performance athletes under SA’s subvention scheme. However, more focus is placed on increasing community participation in physical activities. The definition of “sport” is also redefined and expanded to include recreational activities in a broader sense. Moreover, AIS has broadened its mission from achieving medal results to improving on the health and well-being of athletes and the general public.

107. SA is in the process of transition towards a multi-year funding mechanism that enables longer term investment and greater financial stability for NSOs. SA will provide long-term funding to NSOs for designated priority sports in order to create greater financial security and stability. SA’s subvention can be divided into six categories, namely Community Sports, Elderly, Professional Athletes, Young Australians, School Sports and Women Leadership. The

⁸ Breakdown of investment allocation received by each sport in Australia in 2018/19:
https://www.sportaus.gov.au/__data/assets/pdf_file/0007/677194/35249_Investment_Summary_18-19_fact_sheet_v4.pdf

performance of each NSO is assessed over a three-year period in order to create an international competitive profile. The criteria of assessment include performance targets, future potential of achieving results and a high level of governance. While there is no particular arrangement in respect of penalty mechanism, all NSOs must comply with a range of policies and practices as a pre-condition for funding. NSOs are also required to engage independent auditors to examine their accounts. Subject to the authorisation of the engaged auditors, funds may be carried over to the following year and do not have to be returned to the government. NSOs are also required to abide by the Mandatory Governing Principles, which include limitation on tenure for the board members, staggered rotation of boards with a term limit of 10 years; full public disclosure of administrative expenses inclusive of remuneration; transparency of high performance results; accountability to create three-year strategic plans; and for better management, boards must have the appropriate mix of skills, etc.

108. The remuneration of subvented staff is based on individual performance and market rate. Many organisations also rely on volunteers to carry out the daily operations of NSOs. As volunteers play a crucial role in the daily operations, they are recruited through competitive process to ensure their quality. In 2017, a total subvention of \$1,835 million was allocated to 66 NSOs in Australia.

5.1.4 Mode of Subvention in North America

109. Two countries in the North America were selected, Canada and the United States. They were selected for their superb performance in many Olympic Games and world championships.

a. Canada

110. The British Columbia (BC), a province of Canada was selected as an illustration of the subjects for the study. Sport Canada, which is a branch of the Ministry of Tourism, Arts and Culture, allocates funding to NSOs in BC through viaSport. viaSport, a not-for-profit organisation, was established in 2011 to be responsible for allocating funding to province-wide sport and multi-sport organisations and the Canadian Olympic and Paralympic Sport Institute Network for programmes and services.

111. With an aim to advancing the Canadian Sport Policy, Sport Canada supports the sport system at the national level through three programmes, namely the *Athlete Assistance Programme* (AAP), the *Sport Support Programme* and the *Hosting Programme* (HP). The AAP targets at elite athletes and aims to relieve their financial pressures in preparation for and participation in international sport events. The Sport Support Programme aims at developing athletes and coaches at the highest international levels; providing sound technically based sport programming for all athletes; increasing the number of Canadians from all segments of society involved in sport, and advancing Canadian interests and values in Canada and abroad. The HP aims to enhance the development of sport excellence and the international profile of sport organisations by assisting sport organisations to host the Canada Games and international sport events in Canada. NSOs receive funding through the three aforementioned programmes from Sport Canada.

112. In Canada, certain funding is identified as ‘protected’, which means that the funding can cover designated eligible expenses. Unspent ‘protected’ funds cannot be used for other purposes and must be returned. Sport Canada reserves the right to audit the accounts and records of any organisation that receives its subvention to ensure compliance with the terms and conditions of the subvention agreement. To ensure good corporate governance, a code of conduct was put in place with different requirements set for individuals, directors, committee members and staff, coaches, athletes, officials and parents/guardians as well as spectators. There are different terms set for different groups. For example, for individuals, they are required to promote sport in a positive light and abstain from the non-medical use of drugs or the use of performance-enhancing drugs as well as avoid consumption of alcohol where minors are present; for directors, committee members and staff, they are required to be responsible for and transparent on financial affairs, remain open, professional and lawful as well as commit time and preparation for meetings; for parents/guardians and spectators, they should encourage athletes to compete within the rules, never ridicule participants for mistakes or performance or harass competitors, coaches, athletes, officials or

spectators and respect judges decisions and never question their judgment or honesty, etc.

113. With regard to the staffing structure, viaSport does not interfere in the human resources management of NSOs. However, it provides a recommended range of pay and expenses level for coaches, high-performance directors, technical leadership positions and coaches for national teams, etc. In 2017, a total amount of over \$95 million was allocated for subvention covering 58 NSOs in Canada.

b. United States

114. The United States offers a unique insight into sport subvention as it is the only developed country covered by the study that does not provide federal funding for the majority of its sports programmes. For this reason, National Governing Bodies (NGBs) in the US operate on a self-financing and commercial basis and rely heavily on investment and public donation. The main national organisation that oversees subvention, as well as provides guidance on industry standards and policies, is the United States Olympic Committee (USOC). Sports organisations must be recognised as the NGBs of the sport they represent in order to receive funding from the USOC. One of the roles of the USOC is to recognise sports organisations as NGBs. The priority of the USOC is to support athletes at different levels, 82% of the USOC's budget goes towards athletes, while the remaining 11% is spent on fundraising endeavours and 7% is allocated to cover administrative costs.

115. The USOC is a multi-sport organisation that aims to increase participation in sport competition at national, international and grassroots levels. Multi-sport organisations include community based and school-based sports organisations, and those for disabled sport and armed forces. Partnerships have been formed between community-based organisations that foster competition in two or more sports and where athletes who are proficient for elite competition. These partnerships involve 38 national organisations, 73 million members, and provide services for youth, seniors, military, disabled, collegiate and elite athletes.

116. In addition to subvention from the USOC, revenue from membership fees and investments, many NGBs are connected with a fundraising federation that solicit donations and sponsorship. Each NGB has its own foundation with its own fundraising strategies/programme. Fund raised by NGB foundations are distributed to local associations through NGBs. Although NGBs enjoy financial autonomy, USOC sets aside reserve funds as part of its risk management strategy. As with all NGBs, the USOC has its own constitution and by-laws that outline its guiding principles. Under the ‘Ted Stevens Olympic and Amateur Sports Act’⁹ which coordinates and develops amateur athletic activity at international amateur athletic competition, outlines the roles and responsibilities of the USOC and also provides a framework for NGBs to follow and build on. USOC also acts as a mediator between athletes, coaches, staff, and NGBs.

117. USOC and NGBs have the autonomy to determine their own personnel establishment, pay level and staff structure. Staff recruitment and entry requirements are also determined by each NGB. NGBs and USOC take into consideration independent salary survey data, economic business conditions data and comparable wages. In 2017, a total amount of over \$1,640 million was allocated for subvention covering 122 NGBs in the United States.

5.1.5 Interview with NSAs in Hong Kong

118. During the research period, the Consultant conducted face-to-face interviews with senior administrators of six local NSAs for various sports (5 individual sports and 1 team sport) and of different scales (based on the subvention amount provided to them in 2018-19). They were invited to provide comments on the SSS. A list of common concerns among the respondents are listed as follows-

- (a) to increase subvention to the maximum allocation of 100% to all programmes or alternatively to a fixed percentage;
- (b) to increase the ratio of office and personnel staff needed;
- (c) to allow more autonomy and flexibility in using the reserve funds;

⁹ A copy of the act may be found at: <http://www.soccerpark.com/TedStevens.pdf>

- (d) to calculate headcount of staff by scale of programme rather than the number of programmes offered by an NSA;
- (e) to consider career advancement and attractive pay-scale for subvented staff in NSAs;
- (f) to replace part-time personnel by full-time employees to strengthen management and operational work, especially on accounting matters; and
- (g) to keep liaison with a consistent expert or advisory team from the funding body, i.e., LCSD, to upkeep the continuity of the service.

5.2 Major Findings and Exemplars

119. Regarding the number of NSAs that receive subvention among the subject countries in the study, the U.K tops the list with 131 NSAs, while there are 60 NSAs in Hong Kong which surpassed that in the other Asian countries covered by the study. On the other hand, in terms of the NSA-population ratio, Hong Kong ranks first among all countries covered by the study.

Country/ Region	Total No. of Population ¹⁰	No. of NSAs under Subvention	Ratio of Population per NSA	Order of Priority
Hong Kong	7 319 700	60	121 995	1
Japan	126 994 510	55	2 308 991	8
South Korea	51 466 200	59	872 308	7
Singapore	5 612 250	45	124 717	2
Belgium	11 372 068	71	160 170	3
England	55 268 067	131	421 894	5
Australia	24 598 930	66	372 711	4
Canada	36 708 080	58	632 898	6
U.S.A.	325 719 180	122	2 669 829	9

Table 3: Population of each Country/City in the Overseas Study

¹⁰ Population data of the year 2017 (Japan in 2016) was from the World Bank, except that of England, which was from the Office of National Statistics of the United Kingdom.

120. The research report provides a qualitative and comparative overview of key findings collected from the countries being selected. Throughout the research study, it is noted that each country has a different mode of subvention in respect of its own national and governmental sport policy and development strategy. The research highlights how a major focus of sport subvention schemes across the board relates to the empowerment of NSAs. The research findings provide LCSD with greater details on the practices adopted in different countries and thus facilitate LCSD to evaluate the present situation of sport subvention in Hong Kong and explore the possibility for enhancement. Summary of the study is extracted from the report in the following paragraphs for ease of reference.

121. Scope A: Funding Principles, Cycle and Mechanism

All countries distribute funding in both lump sum and non-lump sum grants. In addition, each country lays down its own eligibility criteria for subvention and provides guidelines and handbooks that outline the requirements. It is common for sport organisations to provide annual plans and receive funding on either annual or multi-year basis. The majority of countries require NSAs to enter into a subvention agreement with the funding body. These agreements, along with the annual and strategic vision of the government/funding body, form the basis of Key Performance Areas (KPA's). However, BC of Canada and England are exceptions where NSAs are not required to enter into subvention agreements. Despite the lack of a separate agreement, England requires its NSAs to meet KPAs. All countries have a penalty mechanism in place. Funding may be cut or suspended if the KPAs are not met in case of non-compliance with guidelines.

122. Scope B: Allocation of Subvention and Subsidy Level

NSAs in many countries are moving away from their reliance on government funds for sport subvention by seeking a higher level of sponsorship from private corporations and establishing a national sports federation to solicit funds from different sources collectively. With regard to seeking sponsorship, however, smaller NSAs in Hong Kong may not have the necessary manpower and resources to do so. Furthermore, while individual NSA in Hong

Kong may have their own foundations and policies on fundraising and donations, the model of sport subvention of the United States may provide insight for additional revenue and assistance that some NSAs are looking for. Greater assistance in securing alternative sources of funding and incentives for sponsors to finance NSAs would be beneficial to enhancing their finances.

123. Scope C: Incentives to Attract and Retain Talents

NSAs of most countries retain autonomy and independence on their staff structure and pay level. Staff remuneration is financed by NSAs' revenue or donations from members. NSAs in South Korea, Australia and England operate in a way similar to private not-for-profit corporations, which base the wages of their staff on their own annual budgets and are less constricted by government regulation. Depending on the scale and capability of the NSA, a designated portion of subvention can be allocated for human resource management so that they could be more flexible to provide incentives for staff retention.

124. Scope D: Corporate Governance and Monitoring System

Effective monitoring system and good corporate governance are both necessary to ensure effective use of public funds. The codes of conduct adopted by different countries come in various levels and forms. The research found that NSAs are required to undergo quality assurance and annual assessment processes. Each NSA develops KPAs which are documented in their annual plans and used for performance assessment. Board members are elected at general meetings and usually by voting. Practices on anti-corruption or equal opportunity policies vary among countries. A feature that stood out in Scope D is that Singapore, England and Belgium had a consistent point of contact for professional support. These contact points are knowledgeable about the needs of the specific NSA and can provide information and assistance to them effectively.

Chapter VI Discussions and Recommendations

125. Based on the observations of the overseas study, the Consultant highlighted some key characteristics of sports subvention in the eight countries under study. The Consultant also extracted the views and opinions expressed by local NSAs during interviews as mentioned in Chapter V. Throughout the analytical process, the Consultant has identified some of the common practices, policies and approaches that are worthy of considerations and further reference. Taking into account the information collected, we have derived a series of recommendations and come up with corresponding enhancement measures which will help optimise the administration of SSS and enhance the further development of sports in Hong Kong.

6.1 Scope A: Funding Principles, Cycle and Mechanism

126. Eligibility Criteria for Subvention

All countries under study have their own set of eligibility criteria for application for sports subvention. There are some common features such as the NSA has to be an incorporated organisation of non-profit-making nature and a member of the respective International Sports Federation (IF) and International Olympic Committee (IOC). There are also requirements adopted in overseas countries which are different from that of Hong Kong. For example, the sports organisations in Singapore are required to provide proven track record of good financial health with varied sources of revenue, and popularity of the sport is another factor to be considered for receiving government funding. In Hong Kong, the sports organisations which wish to apply for subvention under SSS must fulfill all the following eligibility criteria-

- (a) it is a member of the SF&OC;
- (b) it is affiliated to the IF of the respective sport;
- (c) it is registered under the Companies Ordinance and has AoA;
- (d) it is a non-profit-making sports organisation;

- (e) it has been in operation and has organised sports programmes for at least three years; and
- (f) the sport is one of the sports/potential sports of the Major Games at Asian Games, World Games and Olympic Games level.

LCSD has adopted the above eligibility criteria for over a decade. In this Review, we have re-examined the current system making reference to overseas practices and the local study. The current eligibility criteria adopted in Hong Kong is on par with overseas practices, which usually include membership of the respective IF and IOC, an incorporated organisation of non-profit-making nature, proven track record of financial health, etc. The local study also revealed that stakeholders were generally satisfied with the current funding principles. That said, we are mindful of the importance to strengthen the monitoring mechanism to ensure that the NSAs receiving public funding under the SSS should fulfil the eligibility requirements on a continued basis. In addition, to ensure that sports organisations are worthy of support by public funding through SSS, it is important to give due consideration to other desirable attributes of the sports organisation such as its ability in developing and promoting the respective sport, sustainability, experience, track record and governance in assessing whether and how subvention is to be provided. Details will be worked out and views of NSAs will be solicited during the process of review.

Recommendation 1

To devise a mechanism to ensure continued fulfilment of the eligibility requirements for receiving government subvention, and to consider strengthening the assessment criteria in light of the changing needs of the sporting community and proper use of public funding.

Enhancement Measure 1

To formulate an In and Out mechanism and apply to those new applicants of SSS and existing NSAs which cannot meet the requirements.

Enhancement Measure 2

To include the following considerations in assessing the application for SSS-

- a. *strategic plan on sports development with sustainability angle;*

- b. *successful experience in organising sports development programmes from grassroots to competition levels;*
- c. *participation of members of the public at large and supporting or partnership organisations in the last three years; and*
- d. *proven record of financial health and good corporate governance practices.*

128. New and Trendy Sports

Apart from developed sports, there is increasing demand from the community for development of new/trendy sports, e.g. sports which are currently not under the IOC or the SF&OC. Given the state of their development, these sports and their organisers are usually yet to be an NSA and thus not eligible for subvention under the SSS. However, as revealed in the overseas study, some countries provide government funding for new sports so that more opportunity and choices could be provided for members of the public to take part in sports. It is suggested that a new pilot scheme be introduced to accommodate these new and trendy sports.

Recommendation 2

To introduce a pilot scheme to test out how best to support the promotion and development of new and trendy sports.

Enhancement Measure 3

To introduce a pilot scheme with funding to support new and trendy sports and devise a new funding mechanism to better address the needs and state of development of new sports; and review its effectiveness in due course.

129. Funding Cycle

Sporting success takes years to build and requires long term planning. It is particularly true for NSAs to prepare for high level international championships and to take part in major Games. The study on overseas practices reveals that many countries including Australia, Belgium, Canada, Singapore and the United Kingdom have changed or are prepared to change their funding cycle in recent years. Eligible and capable NSAs could apply for multi-year grants, ranging from two to four years. However, the feedbacks from local study on NSAs are diverse. While some supported that it would be more efficient and cost-effective for NSAs to have greater certainty of the subvention to be received through multi-year subvention, some opined that multi-year subvention will duplicate workload as NSAs might be required to revise or adjust the development plan frequently to respond to unforeseeable changes or ad hoc requirement initiated by IF or IOC. As there are conflicting views on multi-year funding cycle, we propose introducing a pilot scheme at a later stage for some mature and more capable NSAs to adopt the arrangement to test its effectiveness.

Recommendation 3

To introduce a pilot scheme to provide multi-year funding for NSAs to enhance smooth delivery of multi-year programmes for further development of NSAs in the long run.

Enhancement Measure 4

To introduce a pilot scheme to apply multi-year subvention arrangement for those mature and more capable NSAs with a view to providing an opportunity for them to devise a long term development plan.

130. Mechanism for Effective Use of Public Funding

All countries under study determine funding level having regard to NSAs' applications/plans and their actual performance. Performance of subvented sports organisations in overseas countries are usually assessed according to a set of pre-agreed KPAs/KPIs. Under this approach, NSAs are expected to draw up detailed plans based on short to medium term goals. The funding bodies and NSAs would discuss and agree on KPAs/KPIs and include them in funding agreements as yardstick to assess their performance and ensure

accountability. Apart from performance in elite and community sports, KPAs/KPIs also apply to governance, finance and compliance. To ensure the agreed KPAs/KPIs are met, all countries have a clear monitoring mechanism in place. Funding will be cut or suspended if the set targets or criteria are not met according to agreement. LCS D will strengthen the monitoring mechanism by adopting a carrot and stick approach, viz. to reward those NSAs with remarkable performance and to enforce the terms and conditions stipulated in the signed agreement upon those NSAs found to be non-compliant.

Recommendation 4

To enhance the funding mechanism by clearly stipulating procedures and requirements for compliance by NSAs and consequences of non-compliance.

Enhancement Measure 5

To devise an effective mechanism with clear guidelines to monitor the use of public funding with the results of non-compliance, including but not limited to reduction, suspension and termination of subvention. Consultation with NSAs and advance notification of the new measures will be arranged.

6.2 Scope B: Allocation of Subvention and Subsidy Level

131. Subvention Level

NSAs reflected on many occasions that the subsidies of eligible items under the SSS were insufficient especially with the increased complexity and scale of the events. The findings of the Review also revealed that NSAs had difficulties in their operation as the costs on administration and programme expenses increased over the years, especially for office rental expenses. In order to alleviate NSAs' financial burden, a one-off two-year subsidy totalling \$50 million was approved for 2019-20 and 2020-21 to meet the imminent need of NSAs. There is a need to address the issue of longer term recurrent funding.

Recommendation 5

To provide additional resources to enhance the subvention of eligible items for NSAs and thereby continue the provision of new services introduced under Phase I of the Review.

Enhancement Measure 6

To continue the allocation of additional funding to NSAs to sustain the enhancement measures implemented under Phase I of the Review, including-

- a. providing full financial support to under-privileged young athletes to take part in international events;*
- b. providing more high level squad training for up-and-coming young athletes; and*
- c. meeting the recurrent cost for a wider range of eligible items such as sports equipment, rates and rental payment for NSAs, etc.*

Enhancement Measure 7

To review the maximum subvention level of eligibility items for different programmes with a view to better addressing the operational needs of the NSAs.

Enhancement Measure 8

To continue the allocation of additional funding to NSAs which meet the agreed targets according to the result of Mid-year Review.

Recommendation 6

To expand the sporting services to all walks of life by providing more opportunities for participation, ranging from training at grassroot level for fun to higher skill level for competition.

Enhancement Measure 9

To provide additional resources for NSAs to expand sporting services for all ages, ranging from School Sports Programmes for students to Community Sports Clubs Project for members of general public at all ages so as to meet the policy objective of mass participation and Sport-for-All.

Enhancement Measure 10

To provide additional resources for NSAs to build up and strengthen the sports development hierarchy ranging from grassroot level training to higher skill level for competition, for example, Primary Athletes Training Scheme, Young Athletes Training Scheme and Feeder System Scheme, etc.

Enhancement Measure 11

To provide additional resources for NSAs to organise more exchange programmes under Youth Sports Exchange Scheme to raise the sports skill level of the youth; to broaden their horizons; and to establish their network with other countries/cities.

132. **Relaxation and Restructuring of Eligible Items**

Currently there is a detailed list of eligible items under SSS for different categories of subvented programmes with ceiling subsidies. NSAs are required to follow the list when preparing their annual budget and funding application. NSAs have requested to relax eligible items from time to time to meet the changing needs, such as winter clothing or uniform, special gears for participation in winter sports, expenses on anti-doping, etc. There is room to restructure and re-categorise the detailed list of eligible items. Relaxation and restructuring of the eligible items could also provide flexibility for NSAs to meet their operational needs and respond in a more cost effective way to the fast changing world.

Recommendation 7

To review the current principles and practices of the list of eligible items so as to allow NSAs to have more flexibility to meet operational needs.

Enhancement Measure 12

To streamline and restructure the current list of eligible items and provide additional funding to raise the ceiling of subsidy level for eligible items regarding administration and programme expenses.

133. Reserve Fund

Reserve fund is a repository of subvention in a given subvention period with the support of an NSA's annual audited account. It aims at encouraging NSAs to better use their subvention by applying rigorous financial discipline in expenditure control and enhancing other sources of income through sponsorship, donation and gate receipt, etc. Allowing NSAs to retain reserve funds can provide them with greater flexibility to deploy resources to where it is most needed. We allow NSAs in Hong Kong to retain reserve fund up to 25% with a view to encouraging and facilitating them to better use public funding. Currently, NSAs have to apply in advance for use of reserve fund which takes time and involves tedious administrative procedure to handle each application irrespective of the amount to be approved. To enhance cost effectiveness, we suggest reviewing and streamlining the procedures regarding the use of reserve fund.

134. While the reserve fund may only be spent on programmes according to the terms of AoA of the NSAs, including expenses for personnel, office administration, and programmes, NSAs have to plan ahead for use of the anticipated savings from the current subvention period and submit application in writing with full justifications at least two months in advance. Upon receipt of applications from NSAs, LCSD will assess them case-by-case. It takes times and involves tedious administrative procedure to handle each application irrespective of the amount to be approved. To enhance cost effectiveness, we suggest reviewing and streamlining the procedures regarding the use of reserve fund.

Recommendation 8

To keep reserve fund and to streamline the application procedures of the fund.

Enhancement Measure 13

To streamline the application procedures for use of reserve fund and to assess the practicability and extent to allow NSAs to retain and use reserve fund with greater flexibility.

Enhancement Measures 14

To include effective use of reserve fund as one of the yardsticks to

assess the management performance of NSAs so as to strengthen their financial control.

135. Alternative Sources of Income

There is a great disparity in the income generation capacity of different sports in different areas. How well a sport can generate income depends on various factors, such as the appeal and entertainment value of the sport, and in many cases, the extent of national and international participation as well as the cultural and social status of the specific sport in a country. The sports sectors in many countries under study are looking for alternative sources of revenue to support their development. In general, sports with high popularity and entertainment value are able to generate income from a variety of sources such as television broadcasting rights, commercial sponsorships and endorsements, spectator fees at events, selling of souvenirs and fundraising activities, etc. The more successful for a sport to generate incomes from commercial and private sector, the easier for it to move away from heavy reliance on government subvention and enjoy greater flexibility and independence in developing the sport according to its own pace and plan.

Recommendation 9

To provide support for NSAs to explore more sources of income and solicit more sponsorship from private sector.

Enhancement Measure 15

To provide training/workshops on strategic sports marketing or fund-raising, etc.

Enhancement Measure 16

To explore the possibility of establishing a web information platform to share with NSAs the successful experience in sourcing sponsorship.

Enhancement Measure 17

To formulate measures and provide incentives to encourage NSAs to seek non-government funding.

6.3 Scope C: Incentives to Attract and Retain Talents

136. More Autonomy for NSAs to Attract and Retain Quality Staff

Under the review of staffing and salary structure, we note a significant difference between Hong Kong and the eight overseas countries studied. The NSAs of most of the countries studied retain autonomy and independence over their own staff and salary structure while LCSD has a tight control over the entry requirement, the minimum salary of subvented staff as well as the number of staff in each NSA were governed under the subvention guidelines of SSS. There is not much room for NSAs to make their own manpower planning to achieve their own corporate vision and strategic development direction, nor to respond to the changing landscape and environment of the sporting arena. It is noted that the issue of manpower support, especially staffing and salary structure are the most focal and concerned areas in local study according to the feedback from all NSAs and stakeholders. We consider it reasonable to respect the autonomy of NSAs and allow them to determine their staffing and salary structure.

137. Review of Manpower and Staffing Strength cum Remuneration Package

Over the years, the scale and complexity of the work of NSAs have increased tremendously. Many NSAs have expressed strong grievances on the limited manpower support which was not commensurate with the increase in workload. Due to resources limitation, it is extremely difficult for NSAs to increase headcount to meet their operational needs. Similarly, the lack of resources and flexibility in adjusting the remuneration package also posed great difficulty for NSAs to recruit and retain talents. Such situation is not desirable. In particular, following the completion of the Review, NSAs will be required to conduct a comprehensive review on their current programmes and develop long-term development plan to meet the societal needs and formulate implementation strategies. The board of directors and administrative staff of the NSAs will be required to pay more effort to enhance their management through conducting more marketing work to generate more income from a variety of sources, nourishing more players and spectators at different ages to

play and enjoy sports, training up more high performance and potential athletes to compete at high level international competitions and developing succession plan to attract more talents to provide volunteering services from operation to board management level in the long run. All these cannot happen nor be achievable without the input of professional staff.

138. In addition, the introduction of enhancement measures to revise the accounting procedure and procurement policy under the recommendations of the Audit Report No. 53 in 2009 had necessitated the employment of part-time staff to cope with the additional workload generated. It has been almost ten years since the last review. Furthermore, new accounting procedures as well as procurement policy have been tailor-made for each individual NSAs and implemented since 2016 without the provision of additional manpower. Many of these part-time staff were not capable of shouldering the heavy administrative responsibilities arising from more stringent accounting and corporate governance requirements. The high drop-out rate of these part-time staff has adversely affected the efficiency of office administration. NSAs considered that there was strong need for these part-time posts to be converted into full-time ones.
139. Our local study indicated that the turnover rate of NSAs staff was relatively high when compared with those of similar jobs in the market over the years. Most of the subvented staff were disappointed with the lack of increment for salary, job prospect and promotion opportunity, etc. Generally speaking, NSAs and their staff considered that they deserved a more attractive remuneration package which should be commensurate with their committed services and the improving sporting performance of Hong Kong.
140. To alleviate the manpower problem and to upkeep the morale of NSA staff in the long run, we recommend that additional support should be provided. Besides, we recommend providing additional support to NSAs for manpower reinforcement to alleviate the heavy workload generated in the past years due to the introduction of enhancement measures and the requirements of new accounting procedures and procurement policy.

Recommendation 10

To allow NSAs to have more autonomy to map out their manpower and staffing arrangement with additional support so as to address their manpower problem.

Enhancement Measure 18

To provide stronger support to NSAs by increasing the subvention to the remuneration portion so as to raise the morale of subvented staff, motivate quality staff to stay in the service and provide support for further development of the sports.

Enhancement Measure 19

To allow flexibility for NSAs to map out their own staffing structure, pay scale and staff incentive scheme by adopting a lump sum grant approach for provision of personnel expenses for NSAs to hire staff to meet their own requirements and pursue opportunities ahead.

Enhancement Measure 20

To provide additional support for NSAs which require manpower to adopt revised accounting procedures and procurement guidelines arising from the implementation of measures recommended in the Audit Report No. 53 in 2009.

Enhancement Measure 21

To provide support to NSAs to acknowledge the service and contribution of existing subvented staff for their accumulated years of continuous service in the same NSA.

141. Support to Multi-sport Associations

Multi-sport associations are NSAs providing or organising a large variety of sports activities to cater for the needs of a designated group of people in the community. There are four multi-sport associations affiliated to SF&OC which receive subvention under SSS, namely, the Hong Kong Schools Sports Federation, the Hong Kong Sports Association for Persons with Intellectual Disability, the Hong Kong Paralympic Committee & Sports Association for the Physically Disabled and the University Sports Federation of Hong Kong, China. They are the recognised NSAs affiliated to respective IFs to promote and increase opportunities for their target groups to take part in both general training at grassroots level and competition at national and international levels. They have established very strong connection with NSAs of respective sports and oversee all aspects of multi-sport catering for the needs of the specific group of population. They offer a wide range of programmes for both mass participation and elite training. During our interview with these four multi-sport associations, we received strong views that they are seriously understaffed and the quality of services delivered are undermined. They have been expanding their services significantly in the past years but without the corresponding increase in manpower support. We have critically and thoroughly examined their situation and appreciated their concerns.

Recommendation 11

To provide additional resources to the four multi-sport associations for enhancing manpower to cope with the heavy workload.

Enhancement Measure 22

To provide additional resources to the four multi-sport associations for manpower improvement so as to cope with the heavy workload due to the expansion of services over the years.

142. Incentives to Staff and Volunteers

While the remarkable results achieved by our elite athletes have won the applauses from the community in recent years, NSAs' personnel who promote sports in the community and support athletes in local as well as overseas competitions are the unsung heroes and

their contributions are under recognised. The importance of the contribution of subvented staff and volunteers are recognised worldwide. Overseas countries have adopted different means to attract, retain and develop talents in NSAs. Recognition scheme for staff and volunteer is a popular means to show appreciation to the contributions made by them. In addition, advice and guidance should be provided to the top management of NSAs for development of succession plan for subvented staff, volunteers and executive committee members.

Recommendation 12

To provide more training opportunities for the development of subvented staff, officials and volunteers and show recognition of their continuous and good performance.

Enhancement Measure 23

To encourage NSAs to devise a mechanism to build in incentive in their salary structure to encourage subvented staff to acquire and enhance their knowledge in corporate governance, sports administration, good practices for board of directors and personnel responsible for financial management, etc.

Enhancement Measure 24

To provide additional funding for NSAs to strengthen the support in capacity building for office bearers, coaches, referees, umpires and volunteers, etc., in collaboration with professional parties and stakeholders.

Enhancement Measure 25

To establish an award scheme to retain experienced and highly qualified staff and officials in NSAs.

Enhancement Measure 26

To encourage NSAs to set up parents and fans clubs to support the development of events which appeal to spectators in the long run.

6.4 Scope D: Corporate Governance and Monitoring System

143. Monitoring System

All countries under study have put in place detailed planning, reporting and assessment requirements to monitor achievements against agreed targets. Whilst these are indispensable requirements for compliance and accountability purposes, some countries have adopted online and more streamlined submission mode. With the support of modern technology, the communication between LCSD and subvented NSAs should be enhanced and the management information system should be upgraded.

144. Corporate Governance

Effective corporate governance is important for the proper use of public funding. Different countries have various levels and forms of codes of governance. Some countries have formulated guidelines and check-list for governance setting out the levels of transparency, accountability, selection of athletes and financial integrity for publicly funded NSAs to comply with. As NSAs are of different sizes and capabilities and are governed by board members who are basically volunteers, there is a need to take into consideration their differences when formulating tailor-made measures.

145. In Hong Kong, the Government works closely with the SF&OC which is an autonomous body operating under the Olympic Charter and registered under the Companies Ordinance. SF&OC is the National Olympic Committee of Hong Kong and also a member of the IOC and the Olympic Council of Asia. It is responsible for coordinating the development of local sports organisations and leading the Hong Kong, China Delegation to participate in major international games such as the Olympic Games and Asian Games. All NSAs representing Hong Kong to take part in these major games must be members of SF&OC. Being a member of SF&OC is also one of the criteria for NSAs to receive subvention of the SSS. All member NSAs shall agree to abide by all provisions of the Olympic Charter,

the IOC's Code of Ethics and the rules of the IF to which they are affiliated¹¹.

146. At present, SF&OC has altogether 79 member associations and has been working closely with them for the development and promotion of sports in Hong Kong. As part of our efforts to support the promotion and development of sports in Hong Kong, Home Affairs Bureau (HAB) has been providing annual subvention to SF&OC to support its operation and implementation of various programmes.

147. With reference to the findings of overseas studies, it is a good practice that sports organisations should have a clear and appropriate governance structure, led by a board which is vested with the power to lead the organisation and is collectively responsible for the long-term success of the organisation. The board should be properly constituted and operated effectively. The right governance structure with decisions made at the right level enables the best decisions to be made in the interest of the organisation. Having an appropriate governance structure is the key to winning the confidence of all staff, suppliers and potential investors and also provides a framework for organisational growth and development. Most countries have put in place proper mechanisms and regulations on the balanced composition and effective functioning of the executive boards so that they will act in the best interest of the NSAs in the promotion of sports in the countries. They are also expected to uphold integrity, transparency and fairness. To this end, executive boards are expected to be of a reasonable size, comprising members from relevant stakeholders and independent directors. To ensure a reasonable turnover and injection of new blood from time to time, the tenure of board membership should be time-limited with stipulated retirement age. Given SF&OC's leading role in the sports sector, it is essential to strengthen SF&OC's capabilities in overseeing the corporate governance of NSAs by examining the existing governance structure and operation of all NSAs and formulating a code of governance for compliance by all NSAs with a view to enhancing the corporate governance as well as the monitoring mechanism of NSA.

¹¹ Section 3.2_Article of Associations of SF&OC

Recommendation 13

To enhance the role of SF&OC in overseeing the corporate governance of NSAs.

Enhancement Measure 27

To provide financial support to SF&OC to enhance their role in overseeing the corporate governance of NSAs by-

- a. examining the existing governance structure and operation of all NSAs; and*
- b. formulating a code of governance for compliance by all NSAs.*

148. **Continuing Professional Development Programme**

Most of the countries under study highlighted the importance of providing adequate and systematic induction and refresher training for NSAs board members, executives and volunteers to familiarize themselves with respective code of conduct. NSAs in Hong Kong also expressed their concern in relation to the social expectation of better governance. It is a common practice for most countries to provide capacity building services for NSAs in meeting the growing demand for better governance and effective use of public funding so as to sustain the sports development. Systematic training should be provided to enhance the knowledge, experience and awareness of all those involved in the governance of NSAs.

Recommendation 14

To engage experts, professional institutes and relevant stakeholders to design a series of Continuing Professional Development Programmes and develop best practice guidelines for NSAs to enhance their efficiency in office management and expand their horizon in the scope of sports development.

Enhancement Measure 28

To strengthen NSAs' administrative capability and provide additional fund for NSAs to hire professional services in the areas of-

- a. accounting and/or audit services, and*
- b. corporate governance and internal control of the NSAs.*

Enhancement Measure 29

To provide new tailor-made training programmes for office bearers and subvented staff to upgrade their knowledge in areas including corporate governance and sports administration, etc.

149. **LCSD Manpower required to carry out the Recommendations**

At present, the core administration work of SSS is overseen by the Sports Funding Office and the Sports Development Section of LCSD. The staff in both Sections have already been fully stretched to their limit and there is no spare capacity to absorb the additional workload generated from the above recommendations and the new initiatives to be formulated. In light of the complexity of the duties and the scopes to be covered are multiple and the dynamic for each NSA are different, sensitive and complicated, an additional team of officers is inevitably required to implement the recommendations of the Review. In addition, it was reflected in the local interviews that NSAs expected LCSD to arrange a consistent team of professional staff to enhance the communication between LCSD and NSAs, and to provide assistance as far as possible.

Recommendation 15

To set up a dedicated team in LCSD to plan, implement and monitor the recommendations and enhancement measures proposed in the Review.

Enhancement Measure 30

To nourish and retain a team of experienced staff in sports sections of LCSD to provide professional and administrative support to subvented NSAs and to enhance the communication between LCSD and the NSAs.

Chapter VII Conclusion and Way Forward

7.1 Summary of Findings and Recommendations

150. The results of local study provides useful information for us to develop strategies to further promote sports development in Hong Kong. The findings collected from overseas study and local NSAs, and the recommendations proposed by HKBU offer valuable insights for us to address the concerns of NSAs and stakeholders. Some of the major concerns and our recommendations are set out in the following paragraphs.

151. For Scope A, it is reflected in the findings that many sports organisations of upcoming new sports have shown interest to apply for public funding as well as venue support to enhance the development of the sports. We propose setting aside resources to launch a pilot scheme to promote new sports in order to meet local needs and follow the world trend.

152. For Scope B, in response to NSAs' suggestion of increasing the subvention level, we suggest increasing the subvention for NSAs including full financial support to underprivileged young athletes to take part in international events, to provide more high-level squad training for up-and-coming young athletes and to meet the recurrent cost of a wider range of eligible items. We also recommend reviewing and restructuring the items eligible for subvention to better address the needs of NSAs. Although the provision of reserve fund is not a common practice in overseas countries, it provides incentive for NSAs to make more effective use of their subvention. We recommend NSAs be allowed to retain reserve funds with greater flexibility to redeploy resources to where it is most needed. We further suggest streamlining the application procedures for utilisation of reserve fund and including the effective use of reserve fund as one of the yardsticks to assess an NSA's performance so as to strengthen the financial control of NSAs.

153. For Scope C, NSAs in most of the countries under study have autonomy and independence over their staffing structure and

remuneration package. In light of the overseas experience, we recommend allowing NSAs to decide on their own staffing structure and remuneration package. To address the concern of NSAs on the manpower problem and high drop-out rate in the long run, we also recommend enhancing the remuneration package for subvented staff and that NSAs could work out their own human resources plan and staffing policy.

154. For Scope D, while different countries have different level and forms of codes of governance, the findings reconfirm the importance of defining and setting out the codes of governance for NSAs. Given the leading role of SF&OC in coordinating the development of local sports organisations in Hong Kong, we recommend enhancing the role of SF&OC in overseeing NSAs' corporate governance including conducting a review on the existing governance structure and operation of all NSAs and formulation of a code of governance for compliance by all NSAs with a view to enhancing the corporate governance as well as the monitoring mechanism of NSA. We will render full support to SF&OC in carrying out the task.

7.2 Feedback on Recommendations

155. With a view to implementing the recommendations and the enhancement measures smoothly and effectively, LCSD subsequently conducted a second round interviews between October and November 2019 with 21 NSAs and major stakeholders on the proposed enhancement measures. A list of consultation groups is at **Appendix IV**.
156. The responses from stakeholders to our recommendations were very positive. Regarding the funding principles and eligibility of the SSS under Scope A, all of the respondents supported and welcomed the introduction of an effective mechanism to ensure proper use of government funding. They generally welcomed the launching of a pilot scheme for new sports though some of them cautioned the need to

ensure safety. Some of them further suggested setting up an assessment panel with members of different background to scrutinise the applications. A few of them suggested allowing some mature and more capable NSAs to try multi-year funding with a view to providing them opportunity to devise a long-term development plan.

157. In terms of subvention under Scope B, stakeholders strongly supported increasing the subvention level, allowing more flexibility on eligible items and streamlining application procedures for keeping or utilising reserve fund to reduce the administrative work of NSAs and LCSD.
158. Regarding the proposal to attract and retain talents in NSAs under Scope C, all the respondents welcomed the recommended measures to allow NSAs to have autonomy to formulate their staffing structure and remuneration package. They all appreciated the new funding arrangement to attract and retain subvented staff. Nevertheless, with the substantial increase in the subvention for personnel expenses, some of the respondents suggested LCSD to closely monitor the proper use of public money and to prevent conflict of interest. They also agreed that it was essential to develop succession plan for all level of board members, office bearers, subvented staff and volunteers, etc. They also welcomed the proposal to enhance the support on capacity building for office bearers, coaches, umpires as well as referees to expand the development of volunteering service.
159. As for monitoring and corporate governance, the respondents shared the view it is appropriate to engage SF&OC, being the umbrella association of all NSAs in Hong Kong, to oversee the corporate governance of NSAs and devise a code of governance and standardised requirements for NSAs. Besides, they all appreciated the effort of LCSD to arrange training and seminars on governance in recent years. They hoped to have more training of this kind for office bearers and subvented staff.

7.3 Conclusion

160. Many studies reveal that sports plays an important role in our daily life with multiple social, individual and economic benefits. Winners in international sport events will bring honour, pride, social identity and cohesiveness to their home place. Sports players enjoy physical and psychological health with fun and better quality of life and at the same time, incurring less medical expenses. Sports is also a business and the market grows with huge economic value. All countries under study put more and more resources for the promotion and development of sports. The market of sports industry has been growing in many overseas countries. Thus, we see a strong case to further promote the development of sports in Hong Kong.
161. The 2030 Agenda for Sustainable Development initiated by the United Nations acknowledges the role of sports in promoting social progress-
- "Sport is also an important enabler of sustainable development. We recognize the growing contribution of sport to the realization of development and peace in its promotion of tolerance and respect and the contributions it makes to the empowerment of women and of young people, individuals and communities as well as to health, education and social inclusion objectives."*
162. Recognising the significance of sports, the Government announced in the 2017 Policy Address to spend \$20 billion in the next five years to launch 26 projects to develop new or improve existing sports and recreational facilities. In addition to the development of the Kai Tak Sports Park which is expected to be completed in 2023, many other new or enhanced sports and recreational facilities will be provided in the coming few years, including sports grounds, football pitches, sports centres, swimming pool complexes, lawn bowling greens, cycling grounds, tennis courts and outdoor basketball courts, etc. With the support of these new and world standard sports facilities, the sport sector would be able to provide more promotional programmes for mass participation and organise more high-level international sports events attract more spectators from local and overseas to enjoy the events.

7.4 Financial Implication

163. Further to the injection of resources in 2019-20 for implementation of enhancement measures under Phase I of the comprehensive review of SSS, the Government has set aside additional fund for implementing Phase II enhancement measures so as to strengthen support to NSAs. Starting from 2020-21, the new funding will be increased gradually from some \$300 million at current level to over \$500 million in 2023-24 onwards to implement the recommended enhancement measures.

7.5 Way Forward

164. We have sought views and comments from members of the Sports Commission at its meeting on 26 March 2020 and will report the results of the Review to the Panel on Home Affairs of the Legislative Council (LegCo) in July 2020. After this, LCSD will conduct briefing session to introduce the details of the enhancement measures to NSAs and consult NSAs on the implementation details. Some of the new enhancement measures will be launched in 2020-21 including the provision of additional funding for the following purposes-

- (a) to provide support to NSAs to acknowledge the service and contribution of existing subvented staff for their accumulated years of continuous service in the same NSA.
- (b) to support respective NSAs which require additional manpower to handle the revised accounting procedures and procurement guidelines;
- (c) to provide additional manpower to four multi-sport associations in order to alleviate their heavy workload; and
- (d) to provide training and support for the enhancement of corporate administration and capacity building for office bearers, subvented staff and volunteers and conduct health check to further enhance the corporate governance of NSAs.

165. LCSD will also conduct separate meetings with all subvented NSAs subsequently to draw up annual programme plan taking into

account the proposed implementation schedule. A preliminary work plan is attached at **Appendix VI**. In parallel, NSAs are required to formulate strategic plan in sports development, to organise systematic training programmes and signature events, to enforce promotion of sports marketing and volunteerism, to devise manpower plan and salary structure to tie in with the enhancement measures. Separately, SF&OC should work in collaboration with professional bodies to set up a new code of governance to enhance the corporate governance and internal control of NSAs.

166. It is our sincere hope that with the concerted effort of all parties concerned, the sports development in Hong Kong can leap forward and enter into a new era that bring health, happiness and all kinds of benefits to the whole society.

**Examples of the Training Profile and Achievement of Outstanding Athletes
under the Training Scheme of LCSD**

NSAs		Name of Athletes	Training Profile
No.	Name		
1.	Badminton	<ul style="list-style-type: none"> • NG Ka Long 	<ul style="list-style-type: none"> • Nurtured by feeder system programme • Participated in the Regional Squad Badminton Training Programme in 2004-2005 • 2013 East Asian Games – Bronze medal in Men's Doubles
2.	Cycling	<ul style="list-style-type: none"> • LEE Sze Wing 	<ul style="list-style-type: none"> • Nurtured by the Future Star Programme 2014-15 • 2019 Asian Track Championships – Gold medal in Women's Junior - Scratch – Gold medal in Women's Junior - Points Race
		<ul style="list-style-type: none"> • LEUNG Chun Wing 	<ul style="list-style-type: none"> • Nurtured by the Future Star Programme (2006-07) • 2017 Asian Indoor & Martial Arts Games – Gold medal in Men's Omnium – Silver medal in Men's Team Pursuit • 2018 Asian Games – Gold medal in Men's Madison – Silver medals in Men's Omnium and Men's Team Pursuit
3.	Fencing	<ul style="list-style-type: none"> • CHEUNG Ka Long 	<ul style="list-style-type: none"> • Nurtured by Age Group Promotion Scheme, Intermediate Fencing Training Courses and Young Athletes Fencing Training Scheme • Participated in the National Squad Fencing Training Programme • 2018 Asian Games – Silver medal in Fencing Men's Team Foil

NSAs		Name of Athletes	Training Profile
No.	Name		
4.	Mountaineering	<ul style="list-style-type: none"> • LAU Tsz Kiu 	<ul style="list-style-type: none"> • Nurtured by Youth Athletes Sport Climbing Training Scheme • Participated in National Squad Sport Climbing Training Programmes in 2018-2019 • 2019 National Youth Games <ul style="list-style-type: none"> – Silver medal in Sport Climbing - Men’s Lead
5.	Rowing	<ul style="list-style-type: none"> • LEE Ka Man 	<ul style="list-style-type: none"> • Nurtured by SSP • Participated Young Athletes Training Scheme in 2000 • 2009 East Asian Games <ul style="list-style-type: none"> – Silver medal in Lightweight women’s Single Scull – Bronze medal in Open women’s Single Scull • 2014 Asian Games <ul style="list-style-type: none"> – Silver medal in Lightweight women’s Single Scull – Silver medal in Open women’s Single Scull • 2018 Asian Games <ul style="list-style-type: none"> – Bronze medal in Lightweight women’s Single Scull
		<ul style="list-style-type: none"> • LEUNG Chun Shek 	<ul style="list-style-type: none"> • Nurtured by SSP • Participated Young Athletes Training Scheme in 2002 • 2015 Asian Rowing Championships <ul style="list-style-type: none"> – Silver medal in Men’s Open Pair – Silver medal in Men’s Lightweight Four • 2017 Asian Rowing Championships <ul style="list-style-type: none"> – Gold medal in Men’s Lightweight Double • 2018 Asian Games <ul style="list-style-type: none"> – Bronze medal in Men’s Lightweight Eight

NSAs		Name of Athletes	Training Profile
No.	Name		
		<ul style="list-style-type: none"> • TANG Chiu Mang 	<ul style="list-style-type: none"> • Nurtured by SSP • Participated Young Athletes Training Scheme in 2005 • 2014 Asian Games <ul style="list-style-type: none"> – Silver medal in Men’s Lightweight Quadruple – Silver medal in Men’s Lightweight Double • 2018 Asian Games <ul style="list-style-type: none"> – Bronze medal in Men’s Lightweight Four
6.	Sports for Physically Disabled	<ul style="list-style-type: none"> • HO Yuen Kei 	<ul style="list-style-type: none"> • Nurtured by feeder system programme • 2018 Asian Para Games <ul style="list-style-type: none"> – Gold medal in the Boccia BC3 Pairs event – Bronze medal in the Boccia BC3 Individual event
7.	Squash	<ul style="list-style-type: none"> • AU Wing Chi, Annie 	<ul style="list-style-type: none"> • Nurtured by feeder system programme • Participated in the SSP • Participated in the Regional Squad Squash Training Programme in 2002-2003 • 2018 Asian Games <ul style="list-style-type: none"> – Gold medal in Women's Team
8.	Swimming	<ul style="list-style-type: none"> • HO Nam Wai 	<ul style="list-style-type: none"> • Nurtured by feeder system programme 2015 • 2017 Asian Indoor & Martial Arts Games <ul style="list-style-type: none"> – Silver medal in Women 4x100m Freestyle Relay – Bronze medal in Women individual 200m freestyle • 2018 Asian Games <ul style="list-style-type: none"> – Bronze medal in Women 4x200m Freestyle Relay – Bronze medal in Women 4x100m Freestyle Relay

NSAs		Name of Athletes	Training Profile
No.	Name		
		<ul style="list-style-type: none"> • WONG Kwan To, Toto 	<ul style="list-style-type: none"> • Nurtured by feeder system programme 2013 • 2017 Asian Indoor & Martial Arts Games – Silver medal in Individual 50m backstroke • 2018 Asian Games – Silver medal of Women’s 4x100m Medley Relay
9.	Table Tennis	<ul style="list-style-type: none"> • DOO Hoi Kem 	<ul style="list-style-type: none"> • Nurtured by feeder system programme • Participated in the Hang Seng Regional Squad in 2006-2007 • 2018 Asian Games – Bronze medal in Women's Team • 2018 World Tour Grand Finals – Champion in Mixed Doubles
		<ul style="list-style-type: none"> • WONG Chun Ting 	<ul style="list-style-type: none"> • Nurtured by feeder system programme • Participated in the Hang Seng Regional Squad in 2005-2007 • 2018 World Tour Grand Finals – Champion in Mixed Doubles
10.	Tenpin Bowling	<ul style="list-style-type: none"> • TSE Chun Hin, Ivan 	<ul style="list-style-type: none"> • Nurtured by feeder system programme • 2018 Asian Games – Silver medal in Men's Team of Six
11.	Triathlon	<ul style="list-style-type: none"> • WONG Tsz To 	<ul style="list-style-type: none"> • Participated in the Young Athletes Triathlon Training Programme in 2014-15 • 2018 Asian Games – Bronze medal in Mixed Team Relay

NSAs		Name of Athletes	Training Profile
No.	Name		
12.	Windsurfing	<ul style="list-style-type: none"> • CHAN Hei Man, Hayley Victoria 	<ul style="list-style-type: none"> • Nurtured by feeder system programme • Participated in the Development Squad Training Programme in 2001-2002 • 2009 East Asian Games – Silver medal • 2010 Asian Games – Silver medal • 2014 Asian Games – Gold medal • 2017 RS:X European Championships – Bronze medal • 2017 Asian Windsurfing Championships – Gold medal • 2018 ASAF Asian Sailing Championship – Silver medal • 2018 Asian Games – Silver medal • 2019 Trofeo S.A.R. Princesa Sofia – Silver medal
		<ul style="list-style-type: none"> • CHENG Chun Leung, Michael 	<ul style="list-style-type: none"> • Nurtured by feeder system programme • Participated in the Development Squad Training Programme in 2006-2008 • 2010 Youth Olympic Games – Silver medal • 2018 ASAF Asian Sailing Championship – Silver medal • 2018 Asian Games – Silver medal • 2019 Trofeo S.A.R. Princesa Sofia – Gold medal

Questionnaire for Local Study of NSAs - Review of Sports Subvention Scheme under Leisure and Cultural Services Department

The Leisure and Cultural Services Department (LCSD) has taken over sports funding administration from the then Hong Kong Sports Development Board and established the Sports Subvention Scheme (SSS) since 2004. Over the years, LCSD has been working closely with national sports associations (NSAs), sports organisations (SOs) and relevant stake holders for the promotion of sport in the territory. To further enhance the development of sport in Hong Kong, it is about time to conduct a comprehensive review of the SSS.

The questionnaire is designed to collect feedback and comments from the subvented NSAs/SOs under four aspects, namely: *Funding Principles of the Scheme; Subvention to NSAs/SOs; Human Resources Management and Monitoring as well as Corporate Governance*. Please read the questions carefully and put a “✓” at the appropriate box to indicate your answer. You are most welcome to offer views, comments and suggestions which would certainly be very useful in the review.

		Items		Answer				
		Very Effective	Effective	Acceptable	Ineffective	Very Ineffective	No Comment	
1.	Please give overall views on the following funding principles:							
	a.	Lump-sum Subvention on Category -						
	i.	(AI) International Events held outside Hong Kong	<input type="checkbox"/>					
	ii.	(BI) National/Junior Squad Training	<input type="checkbox"/>					
	iii.	(BII) Regional Squad Training	<input type="checkbox"/>					
	iv.	(DI) Official Training Programme	<input type="checkbox"/>					
	v.	(DII) Meetings and Conference	<input type="checkbox"/>					

	b.	Non Lump-sum Subvention for Category (C) – Development Programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Your views on the existing funding cycle, i.e., LCSD to assess the application from NSAs/SOs and allocate the subvention annually.		Very Effective <input type="checkbox"/>	Effective <input type="checkbox"/>	Acceptable <input type="checkbox"/>	Ineffective <input type="checkbox"/>	Very Ineffective <input type="checkbox"/>	No Comment <input type="checkbox"/>
3.	Your views on the extent of coverage on current list of eligible items.		Very Exhaustive <input type="checkbox"/>	Exhaustive <input type="checkbox"/>	Acceptable <input type="checkbox"/>	Not quite Exhaustive <input type="checkbox"/>	Not Exhaustive <input type="checkbox"/>	No Comment <input type="checkbox"/>
4.	a.	Do you support to extend the funding cycle from one year to multiple years, i.e., LCSD to assess the application covering two or more years to facilitate NSAs for long term development plan?				Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer.						
5.	a.	Do you support to set an In-out Mechanism as a measure to help NSAs/SOs to maintain effectiveness and/or to improve governance and performance? For example, to suspend the funding support if an NSA failed to meet the eligibility requirement for subvention or poorly performed; or, on the contrary, to provide more funding support for an NSA with distinguishable improvement.				Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer.						

6.	a.	Do you support to allow flexibility for a non-subvented NSA/SO to apply funding in participating high level overseas competitions, e.g. World Championships or Asian Championship, etc.?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer.			
7.	a.	Do you support to increase the subsidy for programmes of Category A(I) - International Competitions held outside Hong Kong?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer.			
8.	a.	Do you support to increase the subvention level for under-privileged athletes in order to alleviate their financial burden in participation of sports events?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer.			
9.	a.	Do you have any difficulty in recruiting subvented staff under existing qualification and minimum entry requirement?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	If yes, please elaborate.			

10.	a.	Do you have any difficulty in retaining subvented staff under existing employment condition?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	If yes, please elaborate.			
11.	a.	Do you agree that the extension of age limit for subvented staff will be an effective means to retain the experience staff in your NSA?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please suggest any other means to help retain experience staff to maintain sustainability and smooth running of the NSAs.			
12.	a.	To meet changing needs and to address public concern on the effective use of government funding, do you agree that there is room for improvement on financial management for and/or internal governance of NSAs?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer and elaborate.			
13.	a.	Generally speaking, do you agree that there is room for improvement for NSAs on the selection mechanism for athletes representing Hong Kong to take part in overseas competitions?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer and elaborate.			

14.	a.	Generally speaking, do you agree that there is room for improvement for NSAs on the Board/Executive Committee composition and the mechanism for election?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>	
	b.	Please provide reason for the answer and elaborate.				
15.	a.	Generally speaking, do you agree that there is room for improvement for NSAs on membership system and admission requirements?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>	
	b.	Please provide reason for the answer and elaborate.				
16.	Please suggest for additional items , if any, that you would like to add on top of the current list of eligible items in the following categories:		First priority	Second priority	Third priority	No Comment
	a.	for events held outside Hong Kong				<input type="checkbox"/>
	b.	for events held locally				<input type="checkbox"/>
	c.	for sports conference and seminars held locally				<input type="checkbox"/>
17.	Please suggest for existing eligible items , if any, that you would like to top up the ceiling subsidy.					<input type="checkbox"/>
18.	In addition to above feedback, you are also welcome to provide overall comments and suggestions on SSS in below:					

Questionnaire for Local Study of SOs - Review of Sports Subvention Scheme under Leisure and Cultural Services Department

The Leisure and Cultural Services Department (LCSD) has taken over sports funding administration from the then two Municipal Councils in 2000 and the then Hong Kong Sports Development Board in 2004 respectively and established the Sports Subvention Scheme (SSS) hereafter. Over the years, LCSD has been working closely with national sports associations (NSAs), sports organisations (SOs) and relevant stake holders for the promotion of sport in the territory. To further enhance the development of sport in Hong Kong, it is about time to conduct a comprehensive review of the SSS.

The questionnaire is designed to collect feedback and comments from the subvented SOs. Please read the questions carefully and put a “√” at the appropriate box to indicate your answer. You are most welcome to offer views, comments and suggestions which would certainly be very useful in the review.

1.	Your views on the existing funding cycle, i.e., LCSD to assess the application from NSAs/SOs and allocate the subvention annually.		Very Effective <input type="checkbox"/>	Effective <input type="checkbox"/>	Acceptable <input type="checkbox"/>	Ineffective <input type="checkbox"/>	Very Ineffective <input type="checkbox"/>	No Comment <input type="checkbox"/>
2.	Your views on the extent of coverage on current list of eligible items.		Very Exhaustive <input type="checkbox"/>	Exhaustive <input type="checkbox"/>	Acceptable <input type="checkbox"/>	Not quite Exhaustive <input type="checkbox"/>	Not Exhaustive <input type="checkbox"/>	No Comment <input type="checkbox"/>
3.	a.	Do you support to set an In-out Mechanism as a measure to help NSAs/SOs to maintain effectiveness and/or to improve governance and performance? For example, to suspend the funding support if an NSA failed to meet the eligibility requirement for subvention or poorly performed; or, on the contrary, to provide more funding support for an NSA with distinguishable improvement.				Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>

	b.	Please provide reason for the answer.			
4.	a.	Do you support to allow flexibility for a non-subvented NSA/SO to apply funding in participating high level overseas competitions, e.g. World Championships or Asian Championship, etc.?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer.			
5.	a.	Do you support to increase the subvention level for under-privileged athletes in order to alleviate their financial burden in participation of sports events?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer.			
6.	a.	To meet changing needs and to address public concern on the effective use of government funding, do you agree that there is room for improvement on financial management for and/or internal governance of SOs?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer and elaborate.			
7.	a.	Generally speaking, do you agree that there is room for improvement for NSAs on the selection mechanism for athletes representing Hong Kong to take part in overseas competitions?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>

	b.	Please provide reason for the answer and elaborate.			
8.	a.	Generally speaking, do you agree that there is room for improvement for NSAs on the Board/Executive Committee composition and the mechanism for election?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer and elaborate.			
9.	a.	Generally speaking, do you agree that there is room for improvement for NSAs on membership system and admission requirements?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	No Comment <input type="checkbox"/>
	b.	Please provide reason for the answer and elaborate.			
10.	In addition to above feedback, you are also welcome to provide overall comments and suggestions on SSS in below:				
<p>Remarks: This questionnaire was sent to 24 SOs under project-based subsidy. Out of which, nine of them returned the questionnaires, representing 37.5% of the total reply, with only one SO provided input in the open-end questions. As the feedback drawing from SOs was limited and not comprehensive, it is considered not appropriate to single out their feedback in this report.</p>					

List of Consultation Groups

Name of NSA/Major Stakeholders		Batch	
		1 st	2 nd
1.	Hong Kong Badminton Association Limited	✓	
2.	The Hong Kong Baseball Association Limited	✓	
3.	Hong Kong Basketball Association Limited		✓
4.	The Hong Kong Canoe Union Limited	✓	
5.	Hong Kong Chinese Martial Arts Dragon and Lion Dance Association Limited		✓
6.	The Cycling Association of Hong Kong China Limited		✓
7.	Hong Kong DanceSport Association Limited		✓
8.	Hong Kong China Dragon Boat Association	✓	
9.	Hong Kong Fencing Association		✓
10.	Hong Kong Football Association		✓
11.	The Gymnastics Association of Hong Kong, China		✓
12.	Handball Association of Hong Kong, China Limited	✓	
13.	The Judo Association of Hong Kong, China	✓	
14.	The Karatedo Federation of Hong Kong, China Limited		✓
15.	Hong Kong China Korfball Association Limited	✓	
16.	Hong Kong, China Rowing Association		✓
17.	The Hong Kong Schools Sports Federation	✓	✓
18.	Hong Kong Sports Association for Persons with Intellectual Disability	✓	✓
19.	Hong Kong Paralympic Committee & Sports Association for the Physically Disabled	✓	✓

Name of NSA/Major Stakeholders		Batch	
		1 st	2 nd
20.	Hong Kong Squash	✓	
21.	The Hong Kong Table Tennis Association Limited	✓	
22.	The Hong Kong Tenpin Bowling Congress Limited		✓
23.	Hong Kong Underwater Association Limited	✓	
24.	The University Sports Federation of Hong Kong, China Limited	✓	✓
25.	Volleyball Association of Hong Kong, China Limited	✓	
26.	Hong Kong Wushu Union Limited	✓	
27.	Hong Kong Sports Institute Limited	✓	✓
28.	Sports Federation & Olympic Committee of Hong Kong, China	✓	✓
29.	Head of Sports Turf Management Section, LCSD	✓	
30.	Hong Kong Recreation Management Association	✓	✓
31.	Legislative Council	✓	
32.	Chairman of Major Sports Events Committee		✓
33.	Chairman of Elite Sports Committee		✓
34.	Chairman of Community Sports Committee		✓
35.	Hong Kong Sports Press Association		✓
Total		21	21

Executive Summary

–extracted from

Report on the Research Study on the Mode of Subvention to National Sports Associations and Sports Organisations in Hong Kong and other overseas Cities or Countries conducted by Hong Kong Baptist University

Executive Summary

In October 2018, the Centre for Global Sport & Recreation Studies of Department of Sport & Physical Education at Hong Kong Baptist University (hereby, “HKBU research team”) began a research study for Leisure and Cultural Services Department (LCSD) of the Government of the Hong Kong Special Administrative Region. The duration of this research study was stipulated for six months.

The eight overseas countries selected for this study were: Australia, Canada, Singapore, the United Kingdom, Japan, South Korea, Belgium and the United States. It was specified in the original quotation document that these countries should be selected from Asia, Europe, North America and Oceania, which must include Singapore, United Kingdom, Australia and Canada, and at least two others from Asia and Europe respectively. The research study has the following objectives:

- To examine the mechanisms of subvention to National Sports Associations (NSAs) and Sports Organisations (SOs) of eight overseas countries; and
- By identifying the strengths and weaknesses, as well as determining their differences in the mode and level of subvention of these overseas countries comparing with those of Hong Kong, it will pinpoint the service gaps and areas for improvement in respect of the mode and level of subvention for NSAs and SOs in Hong Kong.

In order to meet these objectives, the research team focused on four scopes:

- A. Funding Principles, Cycle and Mechanism, Eligibility Criteria and Guiding Principles
- B. Subvention Level
- C. Means to attract and retain talents in NSAs and SOs
- D. Monitoring System, Corporate Governance and Best Practices

This report provides a qualitative and comparative overview of key findings acquired from different countries and is presented with the aim of assisting LCSD in its internal assessment of sport subvention in Hong Kong. Online documentation obtained from different sources – inclusive of government, NSAs, and other sporting organisations’ websites – provided the data for comparative analysis of each country’s approach towards sport subvention in both high performance and mass participation programmes. Some limitations were encountered during the research period due to language barriers and the extent to which governments publish and make documentation available to the public. These however were overcome through consultation and frequent communication with industry professionals in each country, inclusive of government staff, representatives from NSAs, and academics. In addition to international consultation, senior administrative staff from six NSAs in Hong Kong were interviewed as a means to provide supplementary evidence for comparison with other countries.

In reference to Scope A of the study pertaining to ‘funding principles’, each country was found to set its own eligibility criteria for NSAs to apply for funding from government/funding body, and also provides guidelines and handbooks outlining requirements. It is common for NSAs to provide annual plans and for funding to be allocated in accordance with a set number of programmes. The majority of countries/regions also require NSAs to enter into a subvention agreement with the governing body of that nation. These agreements, along with the annual and strategic vision of the government/funding body are used to set Key Performance Areas (KPIs) to which NSAs work towards achieving as a condition of funding.

In terms of ‘subvention level’, specified in Scope B, our research found that many countries are moving away from reliance on government funds or sport subvention. This includes seeking a higher level of sponsorship from private corporations as well as establishing a national sports federation that oversees philanthropic donations and investments. Larger national approaches to attaining funds, such as those taken by the United States Olympic Endowment, provides additional revenue that assists NSAs. Thus, greater assistance for NSAs in securing alternative sources of funding, as well as incentives for sponsors to finance NSAs, was found to be beneficial.

The ‘staff establishment’ and means to attract and retain talents, as specified in Scope C of the report, was almost exclusively the role and responsibility of the NSAs in each of the eight countries/regions. NSAs generally retain the autonomy to employ, set and adjust salaries, train, and provide the benefits that they see as being appropriate with little intervention from the national governing body. Out of all countries, England provides a unique approach to volunteering through providing funds to volunteer programmes that both increases participation and encourages community engagement.

Through our investigation of ‘monitoring system’ in Scope D, our research found that NSAs in all countries develop their own membership criteria. NSAs are also required to go through quality assurance and annual assessment processes. Each NSA develops KPAs which are documented in their annual plans and are used during assessment. Board members are elected at general meetings, and with exception of Japan this is usually done through a voting process. One feature that stood out in Scope D was that countries such as Singapore, England and Belgium had a consistent point of contact for professional support. These personnel are knowledgeable to the needs of the specific sports the NSA is responsible for and provide assistance in terms of helping NSAs develop and maintain good governance and best practices.

Whilst each country approaches subvention differently, relating to their own national and governmental contexts/structures, this research highlights how a major focus of sport subvention schemes across the board relates to the empowerment of NSAs. Through entering into partnerships with the government, NSAs are increasingly working towards developing and improving corporate and governance structures to gain more autonomy and financial independence. This research provides LCSD with greater detail on some of the ways in which this is being achieved in different regions throughout the world.

Proposed Implementation Schedule of Enhancement Measures

Enhancement Measures		Implementation Schedule	Scope of Study			
			A	B	C	D
1.	To formulate an In and Out mechanism and apply to those new applicants of SSS and existing NSAs which cannot meet the requirements.	2020-21	✓			
2.	To include the following considerations in assessing the application for SSS- a. strategic plan on sports development with sustainability angle; b. successful experience in organising sports development programmes from grassroots to competition levels; c. participation of members of the public at large and supporting or partnership organisations in the last three years; and d. proven record of financial health and good corporate governance practices.	2021-22	✓			
3.	To introduce a pilot scheme with funding to support new and trendy sports and devise a new funding mechanism to better address the needs and state of development of new sports; and review its effectiveness in due course.	2021-22	✓			
4.	To introduce a pilot scheme to apply multi-year subvention arrangement for those mature and more capable NSAs	2022-23	✓			

Enhancement Measures		Implementation Schedule	Scope of Study			
			A	B	C	D
	with a view to providing an opportunity for them to devise a long term development plan.					
5.	To devise an effective mechanism with clear guidelines to monitor the use of public funding with the results of non-compliance, including but not limited to reduction, suspension and termination of subvention. Consultation with NSAs and advance notification of the new measures will be arranged.	2020-21	✓			
6.	To continue the allocation of additional funding to NSAs to sustain the enhancement measures implemented under Phase I of the Review, including- a. providing full financial support to under-privileged young athletes to take part in international events; b. providing more high level squad training for up-and-coming young athletes; and c. meeting the recurrent cost of a wider range of eligible items such as sports equipment, rates and rental payment for NSAs, etc.	2020-21		✓		
7.	To review the maximum subvention level of eligibility items for different programmes with a view to better addressing the operational needs of the NSAs.	2020-21		✓		

Enhancement Measures		Implementation Schedule	Scope of Study			
			A	B	C	D
8.	To continue the allocation of additional funding to NSAs which meet the agreed targets according to the result of Mid-year Review.	2020-21		✓		
9.	To provide additional resources for NSAs to expand sporting services for all ages, ranging from School Sports Programmes for students to Community Sports Clubs Project for members of general public at all ages so as to meet the policy objective of mass participation and Sport-for-All.	2021-22		✓		
10.	To provide additional resources for NSAs to build up and strengthen the sports development hierarchy ranging from grassroot level training to higher skill level for competition, for example, Primary Athletes Training Scheme, Young Athletes Training Scheme and Feeder System Scheme, etc.	2021-22		✓		
11.	To provide additional resource for NSAs to organise more exchange programmes under Youth Sports Exchange Scheme to raise the sports skill level of the youth; to broaden their horizons; and to establish their network with other countries/cities.	2021-22		✓		
12.	To streamline and restructure the current list of eligible items and provide additional funding to raise the ceiling of subsidy level for eligible items regarding administration and programme expenses.	2021-22		✓		

Enhancement Measures		Implementation Schedule	Scope of Study			
			A	B	C	D
13.	To streamline the application procedures for use of reserve fund and to assess the practicability and extent to allow NSAs to retain and use reserve fund with greater flexibility.	2021-22		✓		
14.	To include effective use of reserve fund as one of the yardsticks to assess the management performance of NSAs so as to strengthen their financial control.	2020-21		✓		
15.	To provide training/workshops on strategic sports marketing or fund-raising, etc.	2021-22		✓		
16.	To explore the possibility of establishing a web information platform to share with NSAs the successful experience in sourcing sponsorship.	2021-22		✓		
17.	To formulate measures and provide incentives to encourage NSAs to seek non-government funding.	2021-22		✓		
18.	To provide stronger support to NSAs by increasing the subvention to the remuneration portion so as to raise the morale of subvented staff, motivate quality staff to stay in the service and provide support for further development of the sports.	2021-22			✓	
19.	To allow flexibility for NSAs to map out their own staffing structure, pay scale and staff incentive scheme by adopting a lump sum grant approach for	2021-22			✓	

Enhancement Measures		Implementation Schedule	Scope of Study			
			A	B	C	D
	provision of personnel expenses for NSAs to hire staff to meet their own requirements and pursue opportunities ahead.					
20.	To provide additional support for NSAs which require manpower to adopt revised accounting procedures and procurement guidelines arising from the implementation of measures recommended in the Audit Report No. 53 in 2009.	2020-21			✓	
21.	To provide support to NSAs to acknowledge the service and contribution of existing subvented staff for their accumulated years of continuous service in the same NSA.	2020-21			✓	
22.	To provide additional resources to the four multi-sport associations for manpower improvement so as to cope with the heavy workload due to the expansion of services over the years.	2020-21			✓	
23.	To encourage NSAs to devise a mechanism to build in incentive in their salary structure to encourage subvented staff to acquire and enhance their knowledge in corporate governance, sports administration, good practice for board of directors and personnel responsible for financial management, etc.	2021-22			✓	

Enhancement Measures		Implementation Schedule	Scope of Study			
			A	B	C	D
24.	To provide additional funding for NSAs to strengthen the support in capacity building for office bearers, coaches, referees, umpires and volunteers, etc., in collaboration with professional parties and stakeholders.	2021-22			✓	
25.	To establish an award scheme to retain experienced and highly qualified staff and officials in NSAs.	2022-23			✓	
26.	To encourage NSAs to set up parents and fans clubs to support the development of events which appeal to spectators in the long run.	2021-22			✓	
27.	To provide financial support to SF&OC to enhance their role in overseeing the corporate governance of NSAs by- a. examining the existing governance structure and operation of all NSAs; and b. formulating a code of governance for compliance by all NSAs.	2021-22				✓
28.	To strengthen NSAs' administrative capability and provide additional fund for NSAs to hire professional services in the areas of- a. accounting and/or audit services; and b. corporate governance and internal control of the NSAs.	2020-21				✓

Enhancement Measures		Implementation Schedule	Scope of Study			
			A	B	C	D
29.	To provide new tailor-made training programmes for office bearers and subvented staff to upgrade their knowledge in areas including corporate governance and sports administration, etc.	2022-23				✓
30.	To nourish and retain a team of experienced staff in sports sections of LCSD to provide professional and administrative support to subvented NSAs and to enhance the communication between LCSD and the NSAs.	2020-21				✓

Keys:

	2020-21
	2021-22
	2022-23

Scope A: Funding Principles, Cycle and Mechanism

Scope B: Allocation of Subvention and Subsidy Level

Scope C: Incentives to Attract and Retain Talents

Scope D: Corporate Governance and Monitoring System

Membership of the Steering Committee on the Review of the Sports Subvention Scheme

Chairperson

- Ms Michelle LI, JP Director of Leisure and Cultural Services, LCSD (until September 2019)
- Mr Vincent LIU, JP Director of Leisure and Cultural Services, LCSD (since October 2019)

Other Members

- Ms Ida LEE, JP Deputy Director (Leisure Services), LCSD
- Mr Paul CHENG Principal Assistant Secretary (Recreation & Sports), HAB
- Ms Rebecca LOU Assistant Director (Leisure Services), LCSD (until June 2019)
- Mr Benjamin HUNG Assistant Director (Leisure Services), LCSD (since June 2019)
- Mr Rex LAW Assistant Director (Finance), LCSD
- Mr Kelvin LEUNG Chief Leisure Manager (Sports Funding), LCSD (until July 2018)
- Mr Henry WONG Chief Leisure Manager (Sports Funding), LCSD (since July 2018)
- Ms Winnie LEE Chief Leisure Manager (Community Sports), LCSD (until September 2019)
- Mr Samuel FUNG Chief Leisure Manager (Community Sports), LCSD (since September 2019)
- Ms Joanne FU Chief Leisure Manager (Major Events), LCSD (until December 2018)
- Ms Camay LEE Chief Leisure Manager (Major Events), LCSD (since January 2019)
- Mr SIU Yau Kwong Chief Leisure Manager (Sports Development), LCSD (until February 2019)

- Ms Annie FUNG Chief Leisure Manager (Sports Development), LCSD (since February 2019)
- Mr Kelvin LEUNG Chief Leisure Manager (Special Duty), LCSD (since August 2018)
- Ms Joey CHUNG Chief Executive Officer (Leisure Services), LCSD (until August 2019)
- Mr Joe LEUNG Chief Executive Officer (Leisure Services), LCSD (since August 2019)
- Mr Charlson CHIU Senior Staff Officer (Headquarters), LCSD

Acknowledgements

The following people, national sports associations, sports organisations and major stakeholders have provided valuable input into the review through either interview and/or questionnaire survey-

Individuals (in alphabetical order)

1. Dr Patrick CHAN
2. Mr Patrick CHAN
3. Mr CHAN Shui Tim
4. Mr Warman CHENG
5. Professor CHEUNG Siu Yin, MH
6. Mr Duncan CHIU
7. Mr Tony CHOI, MH
8. Mr Arnold CHUNG
9. Mr Andrew FAN, JP
10. Ms Anny GEE
11. Mr HO Chung Ho
12. Mr Cameron Douglas HODGKINS
13. Mr KONG Pui Wai
14. Dr Karl KWOK, BBS, MH
15. Mr Martin LAM, MH
16. Mrs Stella LAU, SBS, JP
17. Ms Vivien LAU, BBS, JP
18. Dr Elean LEUNG
19. Mr LEUNG Hung Tak
20. Mr LEUNG Wai Man

21. Mr Philip LI
22. Dr LUK Wai Hung, MH
23. Hon MA Fung Kwok, SBS, JP
24. Mr PUI Kwan Kay, SBS, BBS, MH
25. Mr Mike TANNER, MH
26. Mr TONG Wai Lun, BBS, MH, JP
27. Mr WAN Hing Yuen, BBS
28. Mr WONG Po Kee, MH
29. Mr Richard WONG
30. Mr Ronnie WONG, BBS, JP
31. Mr Johnny WOO, BBS
32. Mr YEUNG Wing-sun
33. Mr David YIP, SBS, BBS, MH, JP
34. Mr George YIP
35. Mr Tony YUE, BBS, MH, JP

Major Stakeholders (in alphabetical order)

1. Centre for Global Sport & Recreation Studies, Department of Sport and Physical Education, Hong Kong Baptist University (Consultant of the Overseas Research Study)
2. Hong Kong Recreation Management Association
3. Hong Kong Sports Institute Limited
4. Hong Kong Sports Press Association
5. Legislative Council
6. Sports Commission
7. Sports Federation & Olympic Committee of Hong Kong, China

National Sports Associations & Sports Organisations (in alphabetical order)

1. Hong Kong Archery Association
2. Hong Kong Amateur Athletics Association Limited
3. Hong Kong Badminton Association Limited
4. The Hong Kong Baseball Association Limited
5. Hong Kong Basketball Association Limited
6. Hong Kong Billiard Sports Control Council Company Limited
7. Hong Kong China Bodybuilding and Fitness Association
8. Hong Kong Boxing Association Limited
9. The Hong Kong Canoe Union Limited
10. The Chinese Football Association of Hong Kong Limited
11. Hong Kong Chinese Martial Arts Dragon and Lion Dance Association Limited
12. The Citizen Athletic Association Limited
13. Hong Kong Contract Bridge Association Limited
14. Cricket Hong Kong Limited
15. The Cycling Association of Hong Kong China Limited
16. Hong Kong DanceSport Association Limited
17. Hong Kong China Dragon Boat Association
18. Hong Kong Equestrian Federation
19. Hong Kong Fencing Association
20. Hong Kong Football Association Limited
21. Hong Kong China Gateball Association
22. Hong Kong Golf Association Limited
23. The Gymnastics Association of Hong Kong, China
24. Handball Association of Hong Kong, China Limited

25. The Hong Kong Hockey Association
26. HongKong Ice Hockey Association Limited
27. The Judo Association of Hong Kong, China
28. The Karatedo Federation of Hong Kong, China Limited
29. Hong Kong Kart Club Limited
30. Hong Kong Kendo Association Limited
31. Hong Kong China Korfball Association Limited
32. Hong Kong Lacrosse Association Limited
33. Hong Kong Lawn Bowls Association
34. The Hong Kong Life Saving Society
35. China Hong Kong Mountaineering and Climbing Union Limited
36. Hong Kong Muay-Thai Association Limited
37. Hong Kong Netball Association Limited
38. Orienteering Association of Hong Kong Limited
39. Hong Kong Federation of Roller Sports Limited
40. Hong Kong, China Rowing Association
41. Hong Kong Rugby Union
42. Hong Kong Sailing Federation
43. The Hong Kong Schools Sports Federation
44. The Hong Kong Society for the Deaf
45. Hong Kong Shooting Association
46. Hong Kong Shuttlecock Association Limited
47. Hong Kong Skating Union Limited
48. Hong Kong Softball Association
49. Hong Kong Sports Association of the Deaf Company Limited
50. Hong Kong Sports Association for Persons with Intellectual Disability

51. Hong Kong Paralympic Committee & Sports Association for Physically Disabled
52. South China Athletic Association
53. Hong Kong Squash
54. Hong Kong Amateur Swimming Association
55. Hong Kong Tai Chi Association
56. The Hong Kong Table Tennis Association Limited
57. Hong Kong Taekwondo Association Limited
58. The Hong Kong Tennis Association Limited
59. The Hong Kong Tenpin Bowling Congress Limited
60. Hong Kong Triathlon Association Limited
61. Hong Kong Tug of War Association
62. Hong Kong Underwater Association Limited
63. The University Sports Federation of Hong Kong, China Limited
64. Volleyball Association of Hong Kong, China Limited
65. Hong Kong Water Ski Association Limited
66. The Hong Kong Weightlifting and Powerlifting Association Ltd
67. Windsurfing Association of Hong Kong
68. Hong Kong Wushu Union Limited

END