

LEGISLATIVE COUNCIL BRIEF

A NEW ADMINISTRATIVE STRUCTURE FOR SPORTS DEVELOPMENT

INTRODUCTION

At the meeting of the Executive Council on 8 July 2003, the Council ADVISED and the Chief Executive ORDERED that:

- (a) the Hong Kong Sports Development Board (SDB) should be dissolved;
- (b) the Hong Kong Sports Institute (HKSI) should be re-constituted to become an incorporated body to undertake matters pertaining to high performance sports training currently under the auspices of the SDB; and
- (c) a new Sports Commission (SC) should be established to advise Government on all matters pertaining to sports development in Hong Kong.

JUSTIFICATIONS

Public Consultation on the Sports Policy Review Report

2. In May 2002, on the approval of the Chief Executive in Council, the Home Affairs Bureau (HAB) released the report of the Sports Policy Review Team (the Report), entitled "Towards a More Sporting Future", for public consultation. The Report identified the key issues that need to be addressed in drawing up a strategic policy for Hong Kong's future sporting development. It also helped generate discussion among the stakeholder groups

on the desired way forward. Among other recommendations set out in the Report, it was proposed as a preferred option that upon establishment of an over-arching SC to draw up the strategic policy for sports in Hong Kong and to oversee its implementation, the SDB would be dissolved and high performance training would be entrusted to a re-constituted HKSI.

3. At the conclusion of the 2-month consultation exercise, a total of 380 views and written submissions were received from SDB, Sports Federation and Olympic Committee of Hong Kong (SF&OC), local sports-related bodies, educational institutions, political parties, District Councils and individual members of the public. Overall, respondents from various sectors of the community expressed general support for the proposed strategic recommendations as set out in the Report.

4. Insofar as the recommendation on creating a new administrative structure for sports is concerned, the feedback received revealed broad-based support for the following:

- (a) SDB be replaced with a SC to act as a high level advisory body for sports development, and to follow up on the recommendations and feedback received in relation to the Report.
- (b) HKSI be re-constituted to concentrate on the development of high performance sports, provision of coaching and coach education upon its eventual detachment from the SDB.

5. Those expressed such views include two political parties, members of 11 District Councils, SF&OC and most of the National Sport Associations (NSAs). In addition, editorials of five local newspapers also supported the proposed replacement of the SDB with a new SC.

Vision and Value

6. Having regard to the public views expressed on specific areas for change as outlined in the Report, and in recognition of the potential health, social and economic benefits sports can bring to the community, we have further

deliberated our objectives and refined them into a new vision for sports development in Hong Kong as follows:

- (a) 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) A cadre of high performance athletes who can compete in major international and overseas sports events competitively, and become role models for our youth.
- (c) Hong Kong becomes an attractive venue for hosting international sports events of different nature and size, thereby bringing in more tourists and other economic benefits.

Strategies

- 7. To realize the above vision, we will adopt the following strategies:
 - (a) We need to put in place a revamped administrative structure that can provide high level steer and overall coordination in the formulation and implementation of sports policy direction. Such administrative set-up must be capable of providing a focused and holistic approach to our long-term sports development, while facilitating community partnership in sports through intersectoral collaboration.
 - (b) We need to collaborate closely with different sectors of the community, such as sports, education, health care, social welfare and business and the districts, and to enlist them as partners in the sports development. Besides, we also need to re-assess the value and role of the private sector in the development, promotion and delivery of sport programmes. We shall pro-actively look to the private sector for expertise and resources with a view to identifying scope for closer collaboration in a mutually beneficial manner.

The New Sports Commission

8. The major problems identified with the current administrative structure are:

- (a) The lack of a central institution that takes the lead in overall policy planning, coordination, monitoring, and resources allocation in respect of sports development.
- (b) A perceived overlap and lack of clarity in the delineation of roles and responsibilities between the various stakeholders responsible for sports development. An example frequently quoted by the NSAs is the need for them to apply funding support from three different public organizations, namely, HAB, the Leisure and Cultural Services Department (LCSD), and the SDB.
- (c) The difficulties encountered in building a strong partnership between the various stakeholders and inadequacies in attracting resources from the private sector and the community-at-large, which limit the generation of innovative, client-focused and cost-effective ideas in the promotion and delivery of community sports.

9. To address the above deficiencies and to put in place an enabling structure conducive to the attainment of our new vision for sports developments, we shall dissolve the SDB and establish a high-level SC to advise Government on all matters pertaining to sports development in Hong Kong. Upon its establishment, the SC will play a pivotal role in initiating a new partnership relationship in sports with different sectors of the community. In line with the accountability system, the Secretary for Home Affairs (SHA), who has overall policy responsibilities for sport, will assume the chairmanship and receive advice from members of the SC, to be appointed by the Chief Executive. The membership composition of the SC will aim at pooling expertise and experience in sports from different sectors of the community. The broad representation of the SC is also expected to facilitate development of partnership relationships with various stakeholder groups. The SC will be underpinned by a Secretariat

provided by HAB. The Terms of Reference of the SC are at **Annex A**.

10. We expect the future SC to bring in the following benefits:
- (a) It will be able to take a more comprehensive approach in promoting sports.
 - (b) It will be in a better position to initiate 'partnership' between the government, the sports sector and the community-at-large, be it local or international, and mobilize efforts and resources in promoting sports at all levels.
 - (c) With the establishment of the SC, the overlapping functions between different stakeholders in sports development can be reduced, with a view to achieving greater administrative efficiency and resources optimization.
 - (d) The new administrative structure can strengthen unity in the sports community and provide a better environment and more focused approach for elite athletes training in preparation for the 2006 Asian Games and 2008 Beijing Olympic Games.

The Sports Commission's Three Committees

11. The SC will consist of three Committees to help develop and promote community sports, elite sports and major sports events in Hong Kong with a view to realizing the new vision for sports development as outlined in paragraph 6. The three Committees, comprising representatives from different sectors with the relevant expertise and experience, will recommend policy initiatives and priorities in annual resource allocation in their respective area for consideration and endorsement by the SC. The three Committees are as follows :

- (a) Community Sports Committee - to advise [the Administration](#) through the SC on wider participation in sports through closer partnership with different sectors of the community, and on funding priorities for supporting community sports programmes and initiatives.
- (b) Major Sports Events Committee - to advise [the Administration](#) through the SC on strategies and initiatives to facilitate the hosting of major sports events in Hong Kong through close collaboration with sports associations, tourism industry, and the private sector, and on funding priorities.
- (c) Elite Sports Committee - to advise [the Administration](#) through the SC on matters pertaining to high performance sports, provide policy direction to the future HKSI, and on funding priorities for supporting high performance sports and athletes.

12. While secretariat support to the three Committees will be provided by HAB, LCSD will offer input and assistance [as appropriate](#). The Terms of Reference for the three Committees are at **Annex B**. A schematic illustration of the existing and future administrative structure for sports development is at **Annex C and D** respectively.

Future Arrangement for Funding Allocation

13. Under the new administrative structure, [the SC's three Committees will, in line with their advisory role, provide input to the SC on funding priorities for the programmes and initiatives which fall under their respective purview, such as annual subvention to NSAs, organizing of major sports events and budget for the re-constituted HKSI, etc.](#) The Administration, having regard to the recommendations and advice of the SC, will make policy decisions on the appropriation of resources to major sport-related programmes and initiatives and to sports bodies such as NSAs, SF&OC and the future HKSI [as recommended by the SC](#).

14. LCSD will take up the executive responsibility for administering the funding support to the relevant bodies. There will be a dedicated unit within the LCSD to process applications, disburse funds and monitor subvented activities in accordance with the established criteria and guidelines **as recommended by the three Committees and endorsed by the SC**. This will replace current arrangements which require NSAs to apply subventions from three separate bodies, i.e. HAB, LCSD and SDB.

Hong Kong Sports Institute

15. The HKSI will be re-constituted to become an incorporated body upon dissolution of the SDB to allow greater flexibility in its management and operation. The Board of Directors of the incorporated body will be appointed by SHA. Working under the **endorsed** policy direction of the SC, HKSI will be a delivery agent for high performance sports services currently under the auspices of the SDB; i.e., management of high-performance athlete training programmes, coach training and education, training of junior and pre-elite squads, and provision of performance -related information and research projects. In addition, the future HKSI should maintain liaison with its counterparts outside Hong Kong, especially those in the Mainland, with a view to exploring scope for closer collaboration and exchange. It will continue to be financially supported by the Government through annual subvention allocation. Meanwhile, it should also explore other sources of revenues, such as commercial sponsorships, private donations, and income derived from making use of its spare capacity and resources. HKSI's performance will be monitored through the setting of performance targets and indicators in the annual funding cycle.

16. The existing HKSI site in Shatin is known as STTL 277 which was granted by way of a Private Treaty Grant expiring on 30.6.2012. It houses the SDB Headquarters and some sports training facilities. Upon dissolution of the SDB, the whole site will be returned to the Government for re-allocation to LCSD. The office buildings and indoor sports facilities will then be leased to the re-constituted HKSI at a nominal fee. Most of the outdoor sports facilities are no longer used for elite sports training, thus under-utilized. They will be

placed under LCSD management and made available for public use, but with priority booking accorded to HKSI for elite training as required. In the longer term, HAB and LCSD, in consultation with the future HKSI, will conduct a comprehensive review of the future use of the HKSI site, with a view to achieving more effective use of the land and sports facilities.

Implementation Arrangement

17. We propose to establish the SC on 1 April 2004. Subject to the completion of the necessary legislative process, the existing SDB would be dissolved on the same date.

(A) Setting up of two Committees under Sports Commission

18. As mentioned in paragraph 11, SC's three Committees **will help to realize the new vision in sports development**. To lay the foundation for the eventual establishment of the SC, two of the three Committees, namely, the Community Sports Committee and the Major Sports Events Committee, will be set up shortly after the announcement of a new administrative structure for sports. Membership of these two Committees, to be appointed by SHA, will include representatives from SDB, the sports community, and the health, education, business and tourism sectors. The cross membership arrangement with the SDB will help ensure smooth changeover from the SDB to the SC, while enabling the two Committees to acquire the necessary knowledge and experience during the transitional period. As for the Elite Sports Committee, its establishment will tie in with the re-constitution of the new HKSI.

(B) Legislative Amendments

19. At present, SDB is established under Hong Kong Sports Development Board Ordinance (Cap. 1149). HKSI is currently managed and controlled by a Management Committee established by SDB to further the HKSI's objectives. We will need a Bill to repeal the existing Ordinance, and intend to introduce the Bill into the Legislative Council in October/November 2003.

FINANCIAL AND CIVIL SERVICE IMPLICATIONS

20. The proposed arrangement will have the following financial implications –

- (a) one-off redundancy payment to some SDB staff;
- (b) recurrent cost of setting up a Secretariat to serve the new Sports Council;
- (c) annual government subvention to HKSI;
- (d) dedicated unit within LCSD to process applications, disburse funds and monitor subvented activities; and
- (e) additional management and maintenance costs to LCSD and Arch SD for the proposed re-allocation of the existing HKSI site.

Any payment and expenditure required will be absorbed either within SHA's envelope or savings generated from dissolving the SDB. Net savings achieved in the exercise would be channelled to fund sports development programmes.

21. As the SDB site will be re-allocated to LCSD for management and made available for public use, the revenue to be generated from the venue rental to the Government is estimated to be \$0.7 million per annum.

22. As for staffing, there will not be an increase in the number of civil service posts in this re-structuring exercise. LCSD will redeploy existing staff to handle additional duties arising from the new administrative structure through streamlining of the venue management structure and where necessary stepping up the pace of out-sourcing of venue management of leisure facilities.

23. At present, SDB maintains a staff establishment of about 300. The majority of them are engaged in HKSI-related activities. Upon dissolution of the SDB, we envisage that this group of staff would be retained by the re-

constituted HKSI to continue with their present duties. Some others could be absorbed by HAB for the secretariat of the new SC under non civil servant contract terms. A number of SDB staff members would become redundant. The exact number has yet to be determined pending a detailed assessment of future staff requirements. To ensure a smooth transition, we shall endeavour to minimize the number of forced redundancies through re-deployment and re-employment. Details will be worked out in consultation with the SDB and other relevant parties.

ECONOMIC IMPLICATIONS

24. A more vibrant sports sector, to be created through the new administrative structure, would contribute to more business activities and employment opportunities and enhance Hong Kong's position as Asia's World City with diverse attractions. The enhanced partnership between the government, the sports sector and the community at large could pave the way for increased commercial sponsorships and investments in sport, particularly in major sports events and new sport facilities. Furthermore, by looking at ways of integrating our local sports scene with the mainland market, we might be able to expand economic opportunities for Hong Kong through intensified interaction with our Mainland sports counterparts.

IMPLICATIONS OF THE PROPOSAL

25. The recommendations are in conformity with the Basic Law, including the provisions concerning human rights. In general, the proposal does not have significant sustainability implications. It will, however, rationalize the administrative structure for sports development and contribute positively to two sustainability principles, i.e. enhancing the vibrancy of our recreational and leisure opportunities, and providing an environment which promotes, inter alia, the physical and mental health of our people. The recommendations do not involve increases in cost-related fees and are unlikely to have environmental implications.

PUBLIC CONSULTATION

26. The recommendations are made on the basis of the results of an extensive 2-month public consultation exercise on the Report. Due regard has been given to the opinions expressed in the 380 views and written submissions and over 50 discussion sessions conducted during the consultation period with a wide range of organizations. We will brief the media on this exercise.

PUBLICITY

27. We will hold a press conference on 8 July to announce the new administrative structure for sports development and a press release will be issued. Briefings for the Legislative Council Panel on Home Affairs, the SDB and its staff, and relevant bodies in the sports community will be arranged. A spokesman will be available to answer media and public enquiries.

ENQUIRIES

28. For enquiries, please contact Mr. Eddie POON, Principal Assistant Secretary for Home Affairs (Recreation and Sport) of HAB at 2594 6616.

Home Affairs Bureau
July 2003

Sports Commission

Terms of Reference

To advise the Administration on :

- (1) the formulation of a sports policy for sports development in Hong Kong;
- (2) the building of partnership relationships among major stakeholders in sports in Hong Kong, in order to facilitate the effective implementation of the sports policies; and
- (3) the broad principles and guidelines in the provision of funding support to sports and related organizations for promoting and developing sports in Hong Kong.

Community Sports Committee

Terms of Reference

To advise the Administration through the Sports Commission on :

- (1) the strategies and initiatives to promote community participation in sports, other than elite sports, having due regard to the needs of people of different age, gender, ability and other background and those with a disability;
- (2) the strategies to foster partnership with different sectors of the community for the promotion of community sports;
- (3) the interface with relevant authorities on the integrated framework for development of student sports, including curriculum-based and co-curricular activities;
- (4) the development of community sports clubs and their interface with District Sports Associations and NSAs;
- (5) the promotion of major community sports programmes;
- (6) the principles, procedures and the control mechanism for subventing and sponsoring community sports; and
- (7) the funding priorities for community sports programmes.

Elite Sports Committee

Terms of Reference

To advise the Administration through the Sports Commission on :

- (1) the strategies for providing elite training programmes for HKSAR athletes with a view to achieving international sporting success;
- (2) the development of partnership relationship with different sectors of the community and sports training institutions, both local and in other places, to enhance the delivery of elite sports training programmes;
- (3) the coordination and mobilization of stakeholders in the sports sector and in the community at large to provide support to elite athletes including their personal, educational and vocational development;
- (4) the strategies to promote sponsorship and participation of the private sector in elite sports development;
- (5) the policy direction of the Hong Kong Sports Institute including coach education and accreditation;
- (6) the principles, procedures and the control mechanism for allocation of funds for elite sports; and
- (7) the funding priorities for elite sports development.

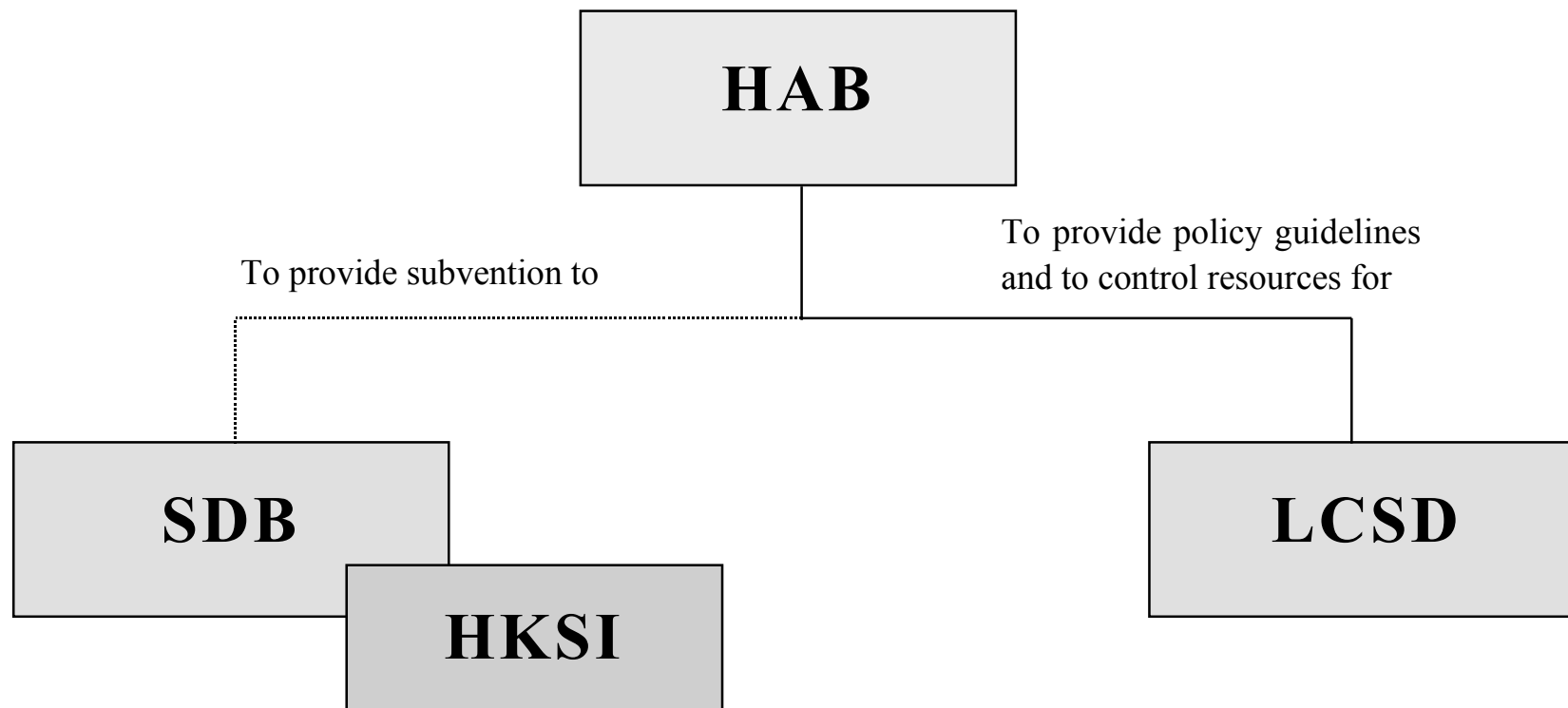
Major Sports Events Committees

Terms of Reference

To advise the Administration through the Sports Commission on :

- (1) the strategies and initiatives for the promotion and hosting of major sports events in Hong Kong;
- (2) the strategies to foster partnership with the sports, tourism and private sectors for major sports events;
- (3) the principles, procedures and the control mechanism for allocation of funds for major sporting events; and
- (4) the funding priorities for major sports events.

Existing Administrative Structure for Sports Development



New Administrative Structure for Sports Development

