

COMMUNITY SPORTS COMMITTEE

Establishment of Sports Training Bases

PURPOSE

This paper is to seek Members' views on the proposed implementation of a pilot scheme to convert two under-utilized public sports facilities into dedicated sports training bases to be managed by non-profit making sports organizations which have a mission to develop specific sports.

BACKGROUND

2. Currently most public sports facilities serve both for community leisure activities as well as sports development training. The need for sports training is catered for through granting of priority in booking of public sports facilities. While this arrangement has the advantage of maximizing the use of scarce public resources, many sports organizations have complained that the lack of dedicated training bases is not conducive to the implementation of structured training programmes, which is essential for successful long-term sports development. It is also difficult for them or the athletes to develop a sense of belonging to their training facilities. On the other hand, some of the existing public sports facilities are under-utilized and their conversion to other purposes would not affect the provision of recreational services to the community. The Leisure and Cultural Services Department (LCSD) has been exploring alternative use of these under-utilised facilities. In parallel, LCSD has received expression of interest for taking over and managing the Kowloon Tsai Park Tennis & Squash Courts as a tennis centre for training and development programmes of juniors and various other age groups. Other

value-added services such as mental training, movement analyses would also be provided in the training base. Similar interest for operating a sports training base for shooting has also been received in respect of the Jockey Club Kwai Shing Public Squash Courts which is considered suitable for this purpose upon some modification works.

JUSTIFICATIONS

3. LCSD currently manages various sports facilities but the utilization rates of some facilities are not high over the years due to the changing interest in a particular sport or the availability of alternative venues in more accessible locations. These facilities include tennis courts and squash courts which have utilization of 44% and 37% respectively in 2005. There is very limited scope to further enhance the utilization of these facilities under the conventional mode of LCSD management.

4. The development of sports training bases making use of these under-utilised facilities would address the sports associations' concerns of lacking dedicated training bases for implementation of structured training programmes. There is also wider scope for these sports training bases to provide various value-added related and support services which would make better use of the facilities to promote utilization. It also enhances the partnership and synergy of the Government and related sports organizations in joint development of sports.

5. Generally speaking, structured training programmes for a particular sports item consist of three levels, i.e. beginners, intermediate or development squads and advanced. Currently, LCSD is responsible for the provision, management and development of community sports facilities and activity programmes at the beginners level while the Hong Kong Sports Institute (HKSI) endeavours to provide training for elite athletes at the advanced level. The proposed establishment of sports training bases can fill the gap at the intermediate level.

6. We have studied experiences elsewhere and found that some overseas governments provide strong support for sports development. Some of them have provided facilities as training base for National Sports

Associations (NSAs) exclusively with the venue management taken up by the Government; or contracting out the management of facilities to sports clubs with subsidy for a period of time, until the operating cost is totally covered by revenue and sponsorship.

7. The Singapore Sports Council (SSC) provides home base venues for some of their NSAs which are exclusively used by the NSAs for the training of athletes at various levels. The public cannot use the facilities even at time when the facilities are not used by the NSAs.

8. In Western Australia, the Department of Sport and Recreation has contracted out the management of some of its sporting facilities to their local clubs for development of sports. The clubs are responsible for the management of the facilities with subsidy from the government. They will prepare a robust marketing and business plan to generate revenue, secure community and commercial support to sustain the operation of the venues, maximizing utilization of the facilities and promoting the development of sports. These overseas examples illustrate that the establishment of sports training bases is becoming more and more prevalent worldwide.

9. It is proposed that facilities identified for development into sports training bases should be allocated to non-profit making sports organisations with a clear mission for development of the specific sport items concerned through a restricted tender process and a monthly rental will be levied. There will be no hidden subsidy for the selected bidder. If the selected bidder is a body currently subvented by the Government, it will not receive any additional subvention for taking up the management of the facilities. The whole initiative must be self-financing. To balance the protection of public interest and development of sports, we propose that the following conditions should be applied to the sports training bases -

- (a) The sports organisation will manage, operate and maintain the training base on a self-financing basis. It will be responsible for normal wear and tear maintenance and major maintenance/refurbishment work will be undertaken by the Government.

- (b) The sports organisation has to upgrade / convert the existing facilities as specified in the tender to meet the training needs for beginners, developmental squads as well as pre-elite athletes and for providing value-added related and support services with its own capital investment.
- (c) The sports organisation will organize sports training programmes and courses and may charge fees at rates set by itself. The training programmes should be open for enrollment by members of the public in an objective and fair manner and the rate of fee should be reasonable and affordable.
- (d) The sports organisation may accept sponsorship for the operation of the facilities and may offer the naming rights of the training base to sponsors during the tenancy period, subject to the prior written consent of the Government, provided that the receipts will go towards supporting athletes' training or making the facilities more accessible to the public.
- (e) The sports organisation will have full control and priority in the use of the facilities. In general, when the facilities are not used for training, they should be made available for hiring by members of the public. The fees to be collected should be maintained at the same level as that charged by LCSD.
- (f) All revenue and expenditures of the training base should be kept in separate account and the audited statements of which will be submitted to the Government on an annual basis. All revenue from the operation of the facilities should be used to defray against operating and maintenance expenses. Upon completion of the management period, if there is a cumulative surplus, the Government will take a 50% share.
- (g) The management period should be seven years, which is considered reasonable for the sports organisation to justify the capital investment, high operational costs and to prepare long-term planning of sports training. Seven years is the duration allowed in the operation of restaurants in LCSD venue which would require substantial venue decoration before operation. The arrangement could be made through a tenancy agreement.

- (h) The sports organisation may be required to reinstate the upgraded/converted facilities to the satisfaction of the Government upon the expiry of the management period.

SELECTION PARAMETERS

10. Balancing the policy objective of promoting sports development and ensuring fairness and transparency in the selection of the operator for the training base, we propose a restricted tender amongst non-profit making sports organisations with the primary objective in the promotion and development of the designated sport be held. The tenderers should have proven expertise in designing structured sports training programmes and the ability and experience in organising local and international sports tournaments. In addition, the tenderers should also demonstrate their experience and capability in managing, operating and maintaining relevant sports facilities and their network with sports sector and the community on sports promotion.

11. The tenderers will need to compete on both quality and price. They will need to submit their offers on the monthly rental payable to the Government and the relevant plans and programmes for the sports training base which will be both taken into account in the tender assessment. No minimum rental threshold will be imposed. Approval for awarding the tender will be sought from the relevant tender board.

PILOT SCHEME

12. Having regard to the existing usage rates, availability of alternative sport facilities in the districts concerned and the interest as expressed so far by individual sports associations, we propose to implement a pilot scheme with two facilities:

- (a) the Kowloon Tsai Park Tennis & Squash Courts to be converted into a tennis training base; and
- (b) the Jockey Club Kwai Shing Public Squash Courts to be converted into an air-gun shooting training base.

13. The Kowloon Tsai Park Tennis & Squash Courts consist of eight tennis courts, two half-size tennis practice courts and five squash courts. The utilization rates of these facilities have been consistently low, 40% for tennis courts and 4% for squash courts. The squash courts are not air-conditioned which is a major drawback. Apart from the Kowloon Tsai Park, there are at present five other venues provided with tennis courts and four other venues provided with squash courts operating under LCSD in the Kowloon City District.

14. The Jockey Club Kwai Shing Public Squash Courts consist of a stand-alone complex with six squash courts. Owing to the decreasing popularity of squash and the aging population profile of the district, the utilization rate of these squash courts is merely 7%. Efforts to turn the squash courts into multi-use have not been successful in attracting more patrons. There are at present five other venues provided with squash courts operating under LCSD apart from the Jockey Club Kwai Shing Public Squash Courts in the district. The six squash courts alone cannot be turned into a squash training base. Hong Kong has recently won a gold medal in shooting in the 2005 East Asian Games. There is good potential to develop this new sport item but a lack of suitable training facilities in the territory is seen as a stumbling block to promote the sport.

FINANCIAL AND STAFFING IMPLICATIONS

15. It is projected that the development of sports training bases in the Kowloon Tsai Park Tennis & Squash Courts and Jockey Club Kwai Shing Public Squash Courts will involve loss of revenue estimated at \$758,000 per annum but would achieve realizable savings of approximately \$817,100 a year. There is thus a net financial gain. The surplus staff of these venues will be redeployed to other sports or recreation facilities operated by LCSD.

CONSULTATION

16. We will consult relevant District Councils to solicit their support before inviting tenders for the proposed facilities.

ADVICE SOUGHT

17 Members are invited to comment on the proposed pilot scheme presented in this paper.

Leisure and Cultural Services Department
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