

## **ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE**

**HEAD 55 – GOVERNMENT SECRETARIAT : COMMERCE  
AND ECONOMIC DEVELOPMENT BUREAU  
(COMMUNICATIONS AND TECHNOLOGY BRANCH)**  
**Subhead 000 Operational expenses**

Members are invited to recommend to the Finance Committee the proposal to retain the non-civil service position of Secretary-General of the Film Development Council at the equivalent rank of D2 (\$122,700 - \$130,300) in the Commerce and Economic Development Bureau for a period of two years after the expiry of the current term in November 2009.

### **PROBLEM**

We need to continue strengthening the support of the work of the Hong Kong Film Development Council (FDC) and the administration of the Film Development Fund (FDF).

### **PROPOSAL**

2. We propose to retain the non-civil service position of Secretary-General of the Film Development Council (SG/FDC), currently at the equivalent rank of D2, for a period of two years from 16 November 2009 to 15 November 2011, after the expiry of the current term in November 2009.

**/JUSTIFICATION .....**

## JUSTIFICATION

### Background

3. The film industry is the flagship of the creative industries in Hong Kong. It contributes significantly to the development of our service industries as well as tourism, and enhances the international and cultural image of Hong Kong. However, there has been a decrease in the number of film productions, particularly small-to-medium budget films, as well as box office revenue in recent years. With a shrinking film market and a decreasing number of local productions, the film industry is facing a difficult time. The Government is committed to providing a favourable environment conducive to the long-term and healthy development of the Hong Kong film industry. The setting up of the FDC and the FDF are key measures to support the Hong Kong film industry.

4. On 22 June 2007, the Administration sought agreement from the Establishment Subcommittee (ESC) of the Legislative Council to the creation of the position of SG/FDC for a period of two years vide EC(2007-08)9. The intention of creating the SG/FDC position was to strengthen support for the FDC and the administration of the FDF. The ESC supported the Administration's proposal, which was subsequently approved by the Finance Committee (FC) on 6 July 2007. The SG/FDC position was subsequently filled on 16 November 2007 through open recruitment and will lapse on 16 November 2009.

5. Upon creation of the position under the Television and Entertainment Licensing Authority (TELA) in late 2007, SG/FDC reported directly to the Commissioner for Television and Entertainment Licensing. He is tasked to head the Secretariat of the FDC and provide support to the FDC as well as its Vetting Committee and Panel of Examiners set up for the FDF. He is also responsible for assisting the FDC and the Government in formulating strategies and action plans for the development of the Hong Kong film industry, as well as promotion of Hong Kong films locally and abroad. In addition, SG/FDC assists with the administration and management of public funds that promote the development of the film industry, including the FDF and the Film Guarantee Fund (FGF). The job description of SG/FDC, prior to 1 June 2009, is at Enclosure 1.

Encl. 1

### Work of Secretary-General of the Film Development Council

6. Since his appointment, SG/FDC and his team have been providing very effective secretariat, administrative and logistical support to the FDC and its committees<sup>Note</sup>, including managing the FDF and the FGF, conducting researches

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<sup>Note</sup> The FDC has set up four standing committees to pursue film-related issues, including the Fund Vetting Committee, the Support Services Committee, Mainland Market Committee and Government Services Committee. It also set up a Panel of Examiners comprising 42 members from the industry to help examine funding applications for film production.

and commissioning studies, providing film shooting facilitative services, implementing initiatives agreed by the FDC, co-ordinating and liaising with stakeholders in the film industry, as well as promoting Hong Kong films locally and abroad. Major highlights of the work conducted by the FDC led by SG/FDC are set out in the ensuing paragraphs.

### *Management of FDF*

7. The FDF supports a wide range of projects conducive to the long-term development of the Hong Kong film industry (e.g. mega events for the promotion of Hong Kong films, seminars for exchanges between filmmakers, production of teaching kits for the film industry, etc.). Following the injection of \$300 million into the FDF in July 2007, its scope was expanded to provide support to finance the production of small-to-medium budget films (i.e. not exceeding \$12 million). As the head of the Secretariat of the FDC, SG/FDC provides administrative support to the FDC in vetting funding applications and following up on the arrangements relating to the preparation of contracts, disbursement of funds, monitoring the use of funds, etc. SG/FDC also actively promotes the use of the FDF to produce films and closely liaises with concerned organisations to facilitate their applications for funding support for projects conducive to the long-term development of the Hong Kong film industry.

8. Since the injection of \$300 million in July 2007, the FDF has processed 20 applications for financing film production, 13 of which have been approved with total funding of around \$35 million. It has also approved a total of 26 film-related projects which are beneficial to the healthy and long-term development of the film industry, with total funding of over \$42 million. The FDC Secretariat is now reviewing the operation of the FDF in consultation with the film industry to ensure it meets the needs of the industry. The SG/FDC will play a key role in conducting the review. We briefed Members on the conduct of the review at the meeting of the Information Technology and Broadcasting Panel held on 7 April 2009 vide CB(1)1191/08-09(03).

### *Promotion of Hong Kong Films*

9. The FDC rolled out a large-scale project named “Hong Kong Film New Action” in December 2008 to revitalise the market for Hong Kong films in Taiwan and Southeast Asia, further expand the Mainland market, and promote the new generation of film directors. The key elements of the project are to introduce the Hong Kong new generation directors to the major markets for Chinese language films, including the Mainland, Taiwan, Singapore and Malaysia; to enhance the Hong Kong film industry’s understanding of the latest development in these

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markets; to enhance the understanding of the producers, distributors and investors in these markets of the business opportunities in Hong Kong; and to seek opportunities for collaboration in film production.

10. The FDC led delegations to visit Taiwan, Guangzhou, Singapore and Malaysia from December 2008 to February 2009. A film festival was held highlighting the productions of the new generation directors. Besides promoting Hong Kong films and the new generation directors, the delegations' meetings with the film industry in these markets were able to establish a basis for co-operation for exploring more market opportunities.

11. A series of business forums and promotional sessions were staged in end March 2009 to further pursue the objectives of the project. The business forums and promotional sessions provided film practitioners from the Chinese language film markets in the five places concerned opportunities to engage in direct business negotiations. New generation directors of the Hong Kong film industry participated in the business forums and promotional sessions to showcase their works and discuss with investors and filmmakers opportunities for co-operation. The FDC prepared publicity materials for the participating directors so that they could promote themselves and their works. In the 2009-10 financial year, the FDC will continue to advance the "Hong Kong Film New Action" initiative by promoting the works of the new generation directors to the audience of the Mainland, Taiwan, Singapore and Kuala Lumpur where publicity and film festivals will be organised.

12. The above has demonstrated the effectiveness of the position of SG/FDC in the liaison of the Government with the local film industry and promoting the continued growth of the industry. Indeed, SG/FDC has been playing a key co-ordinating role in supporting the work of the FDC, liaising closely with members of the film industry both locally and overseas. The work undertaken by him in the past two years has to continue. Such work will only increase in the coming years in view of the Government's commitment to step up efforts to promote Hong Kong's creative industries and the setting up of the Create Hong Kong (CreateHK), the dedicated office for the purpose. As the flagship of Hong Kong's creative industries, the film industry will be one of the priority areas in Government's promotional measures.

13. Considering the above, we see it essential to continue to have a dedicated officer at the present level of D2 with strong leadership skills to head the FDC Secretariat in order to take forward and implement the recommendations and decisions of the FDC. We therefore propose that the position of SG/FDC be retained for another two years with effect from 16 November 2009. Considering

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the merits of recruiting outside candidates with film industry experience to take up the position of SG/FDC, we will continue to fill the position in the proposed extended period by a candidate from outside the Government with good knowledge about the local film industry.

### **Length of Extension of the SG/FDC Position**

14. Both the FDC and the FDF are relatively new establishments of less than two years, the effects and contributions of which are yet to be fully seen. In particular, SG/FDC and his team are currently reviewing the operation of the FDF in consultation with the local industry to ensure that FDF is truly catering for the industry's needs. Extending the position of SG/FDC for a further two years would enable SG/FDC and the team to examine and implement measures to improve and streamline the operation of the FDF. Moreover, as demonstrated in the previous exercise for recruiting SG/FDC, a two-year contract for the post as a minimum will enable us to attract a candidate with the right calibre and experience to take up the position. We therefore consider the proposed two-year extension appropriate. We will review the long-term need of the position in the extension period.

### **Establishment of the Dedicated Office – Create Hong Kong**

15. The CreateHK, the dedicated office for supporting creative industries, was established under the Communications and Technology Branch (CTB) of the Commerce and Economic Development Bureau (CEDB) on 1 June 2009 consequent upon FC's approval on 22 May 2009 vide FCR(2009-10)15. The Film Services Office (FSO) of TELA, including the Secretariat of the FDC, has been redeployed to the CreateHK along with the SG/FDC post. After the redeployment, SG/FDC reports to the Head of CreateHK (as Assistant Head (2)) and continue to lead the FSO to promote the continued growth of the film industry through strengthening the ties with industry players, promoting Hong Kong films in the Mainland and overseas, reviewing the operation of FDF for better support to the industry, etc. As SG/FDC has to focus on film-related work, therefore the Administration Section will report directly to the Head of CreateHK. The organisation chart of the CreateHK is at Enclosure 2. The job description of SG/FDC after the redeployment is at Enclosure 3.

Encl. 2  
Encl. 3

### **Non-directorate Establishment under SG/FDC**

16. Under the CreateHK, SG/FDC leads the FSO. The FSO has 26 non-directorate civil service officers and four non-civil service contract staff.

**/Alternatives .....**

### **Alternatives Considered**

17. We have critically explored the scope for other directorate officers of comparable ranks in the CEDB to absorb the duties of the proposed position. As they are already fully committed to their existing workload, and in view of the enhanced scope and increased workload of the FDC, the Government's commitment to promote Hong Kong's creative industries, and the expertise required of the position, it is operationally not possible for them to take up the whole range of duties of the SG/FDC position without adversely affecting the discharge of their own schedule of duties. If the SG/FDC position could not be retained, the support and service to the FDC at the directorate level would be substantially weakened, to the detriment of the efficient and effective operation of the FDC.

### **FINANCIAL IMPLICATIONS**

18. The total remuneration package for the proposed extension of the non-civil service position of SG/FDC will not exceed the full annual average staff cost of \$2,144,000 (including salaries and staff on-cost) for a civil service post ranked at Administrative Officer Staff Grade C (D2) level.

19. We have included sufficient provision in the 2009-10 Estimates under Head 55 - Government Secretariat: CEDB(CTB) to meet the cost of this proposal.

### **PUBLIC CONSULTATION**

20. We consulted the Legislative Council Panel on Information Technology and Broadcasting (ITB Panel) on 11 May 2009. Members have no objection to the proposal to retain the SG/FDC position for a period of two years. It should be noted the original proposal presented to the ITB Panel was that the SG/FDC would lead the Administration Section of the CreateHK in addition to the FSO. Having reassessed the workload of the SG/FDC after consultation with the ITB Panel, we consider that the SG/FDC shall focus on film-related work and that the Administration Section shall directly report to the Head of CreateHK as explained in paragraph 15 above.

21. At the said meeting of the ITB Panel, some Members raised concerns over whether the Government will redeploy a civil servant to serve as SG/FDC in the extended tenure, as well as the progress of the Administration's review and consultation regarding the operation of FDF. The position of SG/FDC during the extended period will continue to be filled by a candidate from outside the Government. As regards the review and consultation on the operation of FDF, we expect that the review will be completed in the third quarter of this year. We will report to the ITB Panel upon completion of the review.

**/ESTABLISHMENT .....**

**ESTABLISHMENT CHANGES**

22. The establishment changes under Head 55 – Government Secretariat: CEDB(CTB) for the past two years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 June 2009 upon establishment of CreateHK) <sup>@</sup>	As at 1 April 2009	As at 1 April 2008	As at 1 April 2007
<b>A</b>	5 <sup>#</sup>	4	4	4
<b>B</b>	20	10	10	10
<b>C</b>	66	38	38	38
<b>Total</b>	<b>91</b>	<b>52</b>	<b>52</b>	<b>52</b>

Note :

A – ranks in the directorate pay scale or equivalent

B – non-directorate ranks the maximum pay point of which is above MPS point 33 or equivalent

C – non-directorate ranks the maximum pay point of which is at or below MPS point 33 or equivalent

@ – a permanent directorate post, Head of CreateHK (D3) was created on 1 June 2009. The increase of 38 non-directorate posts was due to the staff redeployment from Innovation and Technology Commission, TELA and Office of the Government Chief Information Officer to the CreateHK upon its establishment.

# – as at 1 June 2009, there were no unfilled directorate posts. The figure does not include the non-civil service position of SG/FDC.

**CIVIL SERVICE BUREAU COMMENTS**

23. The Civil Service Bureau supports the proposed retention of the non-civil service position for two years to provide continued secretariat support to the FDC.

**ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE**

24. As we propose to retain a non-civil service position in CEDB(CTB), advice from the Standing Committee on Directorate Salaries and Conditions of Service is not required.

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**Job Description  
Secretary-General of Film Development Council  
Prior to 1 June 2009**

- Post title** : Secretary-General of Film Development Council
- Rank** : A Non-civil Service Position at the equivalent rank of D2
- Responsible to** : Commissioner for Television and Entertainment Licensing

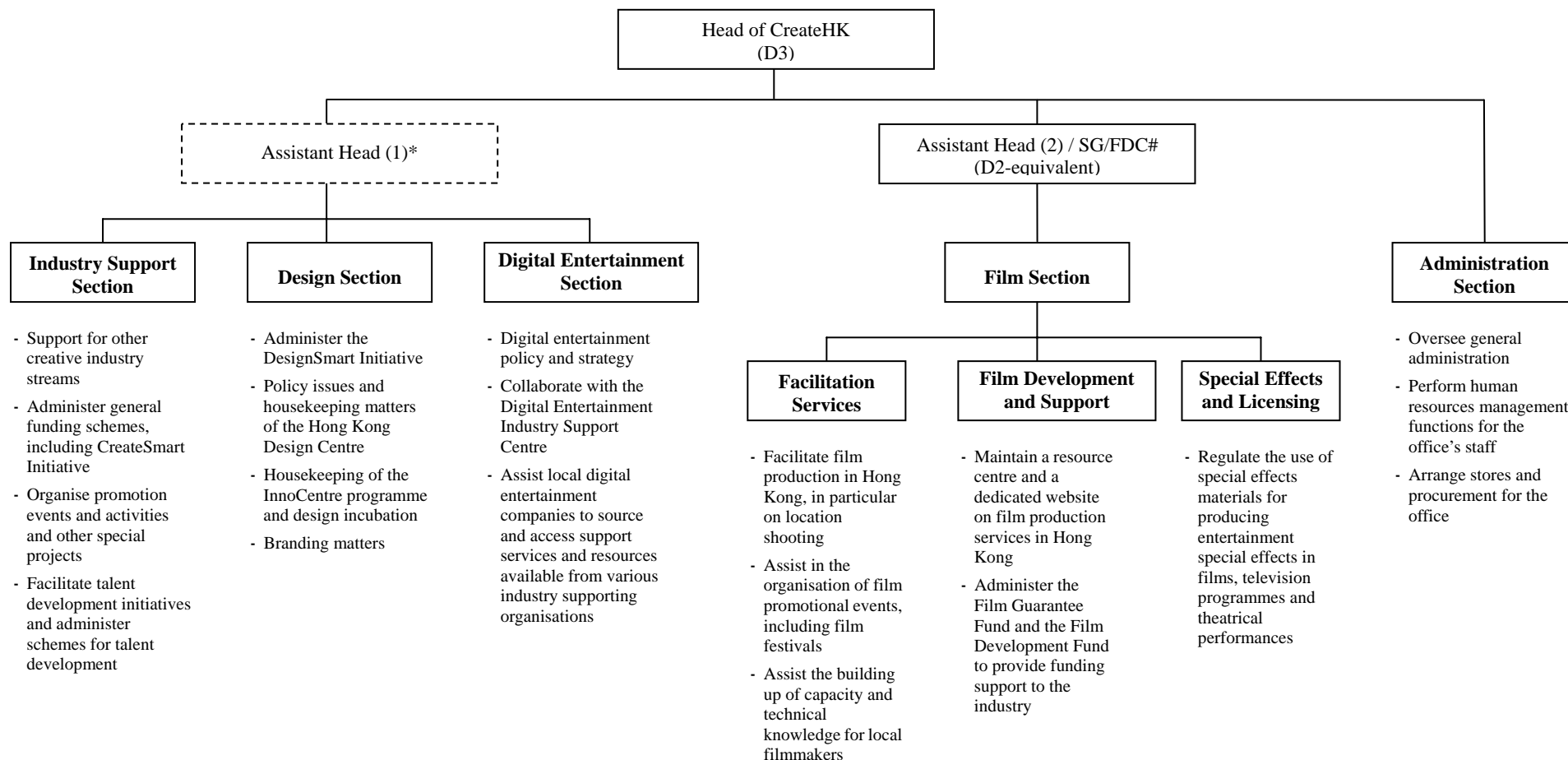
**Main Duties and Responsibilities –**

1. To supervise the Secretariat of the Film Development Council, which advises the Government on the formulation of long-term, medium-term and short-term strategies for the development of the film industry.
2. To assist the Commissioner for Television and Entertainment Licensing in overseeing the administration and management of all public funds (including the Film Development Fund, the Film Guarantee Fund, and other funds for the film sector as appropriate) established to promote the development of the film industry, and assist the Film Development Council in formulating advice to the Government on the use of such funds.
3. To conduct film-related researches and commission external studies.
4. To implement government initiated measures to revitalise the Hong Kong film industry and support its long-term development, and to review the effectiveness of these measures.
5. To co-ordinate with the film industry and government/public organisations to ensure smooth implementation of all publicly funded film-related activities, and collaborate with them to promote the film industry.
6. To represent Hong Kong in marketing and promoting Hong Kong films internationally.
7. To liaise with relevant bureaux and departments on legislative measures (e.g. anti-piracy) to safeguard the interest of the film sector.
8. To oversee the day-to-day operation of the Secretariat of the Film Development Council, including general management and personnel matters.

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**Organisation Chart of the Office of Create Hong Kong, Communications and Technology Branch  
Commerce and Economic Development Bureau**



**Legend:**

Head of CreateHK - Head of Create Hong Kong

\* The redeployment plan of the Assistant Head (1) of CreateHK (AH(1)) is being considered. The section heads of the Industry Support, Design and Digital Entertainment sections will report directly to the Head of CreateHK until the post of AH(1) has been established.

# Non-civil service position

**Job Description**  
**Assistant Head (2) of the Create Hong Kong/  
Secretary-General of Film Development Council**  
**With effect from 1 June 2009**

**Post title** : Assistant Head (2) of the Create Hong Kong (CreateHK)/  
Secretary-General of Film Development Council

**Rank** : A Non-civil Service Position at the equivalent rank of D2

**Responsible to** : Head of CreateHK

**Main Duties and Responsibilities –**

1. To supervise the Secretariat of the Film Development Council, which advises the Government on the formulation of long-term, medium-term and short-term strategies for the development of the film industry.
2. To assist the Head of CreateHK in overseeing the administration and management of all public funds (including the Film Development Fund, the Film Guarantee Fund, and other funds for the film sector as appropriate) established to promote the development of the film industry, and assist the Film Development Council in formulating advice to the Government on the use of such funds.
3. To conduct film-related researches and commission external studies.
4. To implement government initiated measures to revitalise the Hong Kong film industry and support its long-term development, and to review the effectiveness of these measures.
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6. To represent Hong Kong in marketing and promoting Hong Kong films internationally.
7. To liaise with relevant bureaux and departments on legislative measures (e.g. anti-piracy) to safeguard the interest of the film sector.
8. To oversee the day-to-day operation of the Secretariat of the Film Development Council, including general management and personnel matters.

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