

立法會
Legislative Council

LC Paper No. CB(2)1464/08-09(02)

Ref: CB2/PL/HA

Panel on Home Affairs

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 8 May 2009**

Governance of major performing arts groups

Purpose

The recent termination of contract of a principal dancer of the Hong Kong Ballet has aroused public concern about the management of major performing arts groups subsidized by the Government. Members agreed that issues relating to the governance of major performing arts groups should be discussed at the Panel meeting on 8 May 2009. To facilitate members' discussion, this paper sets out the Government's funding mechanism to the nine major performing arts groups, including the assessment criteria and monitoring system. A summary of press commentaries relating to the governance of these arts groups is also attached for members' information. The Administration has been requested to provide information on fund allocation to and the use of Government subvention by these arts groups, and on their administrative structure.

Funding mechanism for major performing arts groups

2. In November 2004, the Committee on Performing Arts (the Committee) was established to advise the Administration on the provision of performing arts services. Following the recommendations of the 2006 Recommendation Report (I) of the Committee, the funding responsibility for the then Big 10, namely, the Hong Kong Philharmonic Orchestra, the Hong Kong Chinese Orchestra, the Hong Kong Repertory Theatre, the Hong Kong Dance Company (the four organizations formerly subvented by the Leisure and Cultural Services Department (LCSA)), the Hong Kong Sinfonietta, the Hong Kong Ballet, the City Contemporary Dance Company, the Chung Ying Theatre Company, Zuni Icosahedron and Theatre Ensemble (the six former Hong Kong

Arts Development Council (HKADC) three-year grantees) has been transferred to the Home Affairs Bureau (HAB) since 1 April 2007. The number of major performing arts group has been reduced to nine upon the voluntary departure of the Theatre Ensemble from the Government subvention system on 1 April 2008 to take on new development direction under the name of PIP of Cultural Industries Ltd.

Funding arrangement

3. Since the transfer of funding responsibility to HAB, the respective performing arts groups receive an annual consolidated grant from HAB which comprises an element of administration grant akin to the nature of the three-year grant disbursed by HKADC in the past and an encashment of all programme fees, venue hiring concessions, nominal publicity and ticketing support which used to be provided by LCSD. The total funding support has increased from \$231 million for the then Big 10 in 2004-2005 to \$247 million for the Big 9 in 2008-2009 (excluding further support for the groups that have become venue partners under the Venue Partnership Scheme). For 2009-2010, the budgeted support stands at \$272.5 million.

Assessment criteria, application procedures and monitoring system

4. In the examination of the 2009-2010 draft estimates of expenditure, a Member enquired about the mechanism and criteria for determining the funding support for the nine major performing arts groups. In response, the Administration advised that -

- (a) the determination of the size of the consolidated grant to the major performing arts groups was based on the groups' submissions on costs for their employment of artists and staff, administration, programme production, venue rental, ticketing, publicity and related costs, funding availability as well as performance outturn of the groups in the preceding year;
- (b) the groups would be invited in the last quarter of a year to submit their funding applications for the following year by furnishing the Government with the outturn forecast of their budget, level of activities, and attendance at programmes for the current year as well as their estimates for the following year. HAB, in consultation with the Funding Committee for the Performing Arts (FCPA), an advisory body to advise the Secretary for Home Affairs on the funding policies and strategies for the major performing arts groups, would examine the funding applications and determine the funding levels based on the performance outturn of the groups for the current year and their plans for the following year. The negotiation of contract terms and signing of

contract with the major groups would be completed in March/April each year. The subvention payment to groups is by quarterly instalment; and

- (c) in consideration of the grant of government subvention, the groups had to enter into a Funding and Services Agreement (FSA) with HAB. In the FSA, the groups were required to: (i) provide artistic leadership in their respective art form in the local community; (ii) establish community support and develop public interest in their respective art form; (iii) establish regional and international reputation for their own group; (iv) implement their committed level of activities; and (v) discharge all their duties and obligations under the FSA, such as submitting to the Government their year-end self-evaluation and assessment report and their annual review findings on the number, ranking and remuneration of their top tiers administrative staff by 30 June each year, their audited annual financial statement and annual financial report by 30 September each year, and their Annual Report by 31 October each year, etc.

Members' views and concerns on the funding mechanism

5. The issue on strengthening the software and humanware for culture and the arts had been extensively deliberated by the Panel with the participation of stakeholders from the arts and culture sector since 2006. Regarding funding support for the arts groups, members in generally considered that the Administration should (a) ensure a reasonable and fair distribution of funding resources amongst arts groups; (b) review the existing mode of subsidy for the major performing arts groups to avoid stifling the development of non-subsidized commercial arts groups; (c) provide more funding for the support of small and medium sized arts groups and budding artists; (d) explore means to minimize staffing and administrative expenses in the operation of arts programmes so that the savings could be re-allocated to the use of arts development; (e) examine the effectiveness of the current funding policy in achieving the policy goals, such as encouraging diversified and balanced development of arts and culture; and (f) consider increasing its overall allocation of funding for culture and the arts, given the imminent need to achieve the vision of the West Kowloon Culture District project.

6. As for the deputations, some pointed out that the support provided by the Administration for artistic creations was very inadequate and called on LegCo to press for an increase in the allocation of resources for the development of the arts. Others suggested that the cumbersome administrative procedures for application of subsidies under the present subvention mechanism should be streamlined to alleviate the heavy administrative workload of the major performing arts groups. Some

deputations considered that the Administration's outdated funding policy had failed to have regard to the emergence of new art forms which had proven to be popular in the market, and had created unfair competition within the arts and culture sector. Deputations generally urged the Administration to consider enhancing support for the arts groups as a whole.

Research study on a new funding mechanism

7. To improve the existing assessment and funding mechanism for the major arts groups as well as to strengthen the progression ladder for the second tier artists/arts groups, the Administration has planned to commission a research study, as recommended in the 2006 Recommendation Report (I) of the Committee, to develop a new set of assessment criteria for the major arts groups taking into account, amongst other indicators, the artistic quality of the groups, their impact on community, their quantifiable deliverables including programmes performed and educational activities conducted and their performance in governance and management. The study will also examine the establishment of "flagship" companies, an entry and exit mechanism to the league of majors, and an articulation ladder for the second and lower tier arts groups to become majors. In view of the growing maturity of the performing arts market, the study will also examine whether, and if so, what complementary measures should be developed to support the non-subsided performing arts sector to achieve a more vibrant and sustainable performing arts scene.

8. Regarding the recommendation for the inclusion of governance and management as one of the assessment criteria in the new funding mechanism, it was pointed out in the 2006 Recommendation Report (I) of the Committee that -

"The quality of a performing arts group's governing board and management team has a direct bearing on the group's capability to realize its artistic vision and achievement. The vision of the board, its ability to govern and its integrity will ensure accountability of the use of public money. Capability of the management team and professional delivery of supporting services are also crucial in achieving the vision of the board and the artists whilst meeting funding objectives."

9. According to the Administration, the research study is expected to be launched before mid-2009 after the selection and appointment of consultant are finalized, and will be completed within 12 months with the findings and recommendations being available in mid-2010.

Other relevant information

10. A summary of press commentaries relating to the governance of major performing arts groups prepared by the Research and Library Services Division of the Secretariat is in **Appendix I**.

Relevant papers

11. A list of relevant papers with their hyperlinks at the LegCo website is in **Appendix II**.

Council Business Division 2
Legislative Council Secretariat
5 May 2009

資料便覽

有關香港主要演藝團體管治的報章摘要 (輯錄自 2009 年 1 月至 2009 年 4 月期間的評論)

表 —— 有關香港主要演藝團體管治的報章摘要

主要藝團的公司化管治
<p><u>董事局的組成</u></p> <p>自 2007 年 4 月 1 日起，原來分別由康樂及文化事務署和藝術發展局資助的主要藝團，交由民政事務局進行劃一評估和資助⁽¹⁾。為使更多社會人士能參與主要藝團的管治，政府規定主要藝團董事局成員任期不能超過 6 年，新措施令主要藝團的董事局湧現不少「新面孔」，而部分新董事局成員可能對相關演藝專業未有深入的認識。主要藝團如獲對演藝卓有識見的人士擔當董事，誠屬美事。但是另一方面，主要藝團如能吸納不同背景和經驗的社會人士加入董事局，亦能為藝團帶來新的動力，擴闊主要藝團的社會網絡，有助進一步推廣藝術。如何能達致理想的平衡，殊不容易，故有評論認為應重新考慮委任主要藝團董事局成員的機制。</p>
<p><u>董事局成員的職能</u></p> <p>主要藝團董事局的職能大致上涵蓋管理和對權益持有人問責兩方面。管理方面的責任包括藝團策略管理、業績表現監管、財務管理及人事管理四項，對權益持有人問責是指向包括會員、顧客、僱員、資助者、捐助者和社會大眾等公眾人士披露消息，和避免發生利益衝突。一般而言，董事局的責任是提供宏觀的方向和監管而非具體的執行。有評論指出，一些董事局成員對主要藝團演藝發展的投入和熱愛，可能導致他們過度介入藝術創作，限制了演藝者的創作空間，具體表現在部分董事局成員與藝術總監的磨擦，而類似情況亦可能發生於藝團行政總監身上，涉及主要藝團的行政管理等範疇。</p>

註：(1) 民政事務局等(2008)。

表 —— 有關香港主要演藝團體管治的報章摘要(續)

主要藝團的公司化管治(續)
<p><u>主要藝團的運作和透明度</u></p> <p>主要藝團作為受公帑資助的團體，在一些重要的事項，如重大的人事任免和藝團的方向轉變，應依從既定的法則。這樣可以令主要藝團的運作更制度化，訂明不同崗位的藝團成員的權責，令藝團的成員更掌握藝團的發展。凡遇到上述重要事項，董事局應儘快向權益持有人，披露有關的消息，以維持藝團的透明度。故此有評論建議主要藝團可制定「約章」，嚴加遵守。</p>
<p><u>成立演藝工作者工會</u></p> <p>有評論認為全職的演藝工作者專注於藝術創作和發展演藝事業，或會忽視與自己有切身關係的權益事宜，因而在遇上主要藝團的人事任免或勞工權益的問題，容易產生徬徨無助的感覺。一旦遇到重大事故，沒有機制為自己申辯，最後只能訴諸傳媒，可惜通常事件已發展至無可挽回的地步，事情已鬧大了，對演藝工作者和主要藝團均沒有益處。故此有評論倡議可參考外國的例子成立演藝工作者工會，協助演藝工作者維護應有的權益。不過亦有評論認為這構想並不可行，因為本地的演藝事業規模不大，演藝工作者人數不多，不同的表演藝術之間存在較大的差異，所以成立演藝工作者工會這一構思，難以實行。</p>
民政事務局的監管角色
<p><u>培訓</u></p> <p>鑒於主要藝團近年確實吸納了一群滿懷熱誠的社會人士加入董事局，期望對主要藝團作出貢獻。但他們當中也有一些人士對相關的表演藝術未有深入的認識，更有一些人士未能充分掌握作為董事局成員的角色。故有評論認為民政事務局可以為新加入主要藝團董事局的人士開辦「董事訓練班」，並邀請曾服務各主要藝團多年的資深董事或退役總監分享他們寶貴的經驗和心得，使新任董事能夠更快「投入角色」。</p>
<p><u>有效的監管</u></p> <p>有評論認為民政事務局在監管主要藝團的工作上，表現十分克制，避免以行政干預藝術創作的自由。但亦有意見認為主要藝團在缺乏外力監管下，可能會出現「程序失當，管理失序」的情況，故此呼籲民政事務局和各主要藝團共同探討如何建立一套「有效、合理、公正」的監管制度。</p>

參考資料

1. 《立法會電子剪報服務》，慧科訊業有限公司，2009年1月23日至2009年4月30日。
2. 民政事務局等：《資助本地演藝團體、培訓文化藝術人才和推動殘疾人士參與藝術創作》，2008年，立法會CB(2)2416/07-08(01)號文件，網址：<http://www.legco.gov.hk/yr07-08/chinese/panels/ha/papers/ha0630cb2-2416-1-c.pdf> [於2009年4月登入]。

資料研究及圖書館服務部
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資料便覽為立法會議員及其轄下委員會而編製，它們並非法律或其他專業意見，亦不應以該等資料便覽作為上述意見。資料便覽的版權由立法會行政管理委員會(下稱"行政管理委員會")所擁有。行政管理委員會准許任何人士複製資料便覽作非商業用途，惟有關複製必須準確及不會對立法會構成負面影響，並須註明出處為立法會秘書處資料研究及圖書館服務部，而且須將一份複製文本送交立法會圖書館備存。

Relevant documents on governance of major performing arts groups

Meeting	Date of meeting	Paper/Minutes	LC Paper No.
Panel on Home Affairs	3.7.2006	Committee on Performing Arts Recommendation Report (I)	Issued vide LC Paper No. CB(2)2476/05-06 on 20 June 2006 http://www.legco.gov.hk/yr05-06/english/panels/ha/papers/ha0703cb2-report-e.pdf
		Administration's paper on Committee on Performing Arts Recommendation Report (I)	CB(2)2492/05-06(01) http://www.legco.gov.hk/yr05-06/english/panels/ha/papers/ha0703cb2-2492-1e.pdf
		Minutes of meeting	CB(2)3127/05-06 http://www.legco.gov.hk/yr05-06/english/panels/ha/minutes/ha060703.pdf
	14.12.2007	Administration's paper on "Strengthening the software and humanware for culture and the arts"	CB(2)245/07-08(03) http://www.legco.gov.hk/yr07-08/english/panels/ha/papers/ha1109cb2-245-3-e.pdf
		Background brief on "Development of culture and the arts in Hong Kong" prepared by the Legislative Council Secretariat	CB(2)245/07-08(04) http://www.legco.gov.hk/yr07-08/english/panels/ha/papers/ha1109cb2-245-4-e.pdf
		Minutes of meeting	CB(2)1051/07-08 http://www.legco.gov.hk/yr07-08/english/panels/ha/minutes/ha071214.pdf
	15.2.2008	Minutes of meeting	CB(2)2617/07-08 http://www.legco.gov.hk/yr07-08/english/panels/ha/minutes/ha080215.pdf

Meeting	Date of meeting	Paper/Minutes	LC Paper No.
	9.5.2008	Summary of views of deputations/individuals on strengthening the software and humanware in culture and the arts	CB(2)1805/07-08(04) http://www.legco.gov.hk/yr07-08/english/papers/ha/papers/ha0509cb2-1805-4-e.pdf
		Administration's response to the views of deputations/individuals at the meeting on 15 February 2008	CB(2)1805/07-08(03) http://www.legco.gov.hk/yr07-08/english/papers/ha/papers/ha0509cb2-1805-3-e.pdf
		Minutes of meeting	CB(2)2742/07-08 http://www.legco.gov.hk/yr07-08/english/papers/ha/minutes/ha080509.pdf
	30.6.2008	Administration's paper on "Funding support for the local performing arts groups, manpower training in culture and the arts and promotion of the participation of persons with disabilities in artistic creation"	CB(2)2416/06-07(01) http://www.legco.gov.hk/yr07-08/english/papers/ha/papers/ha0630cb2-2416-1-e.pdf
		Minutes of meeting	CB(2)2828/07-08 http://www.legco.gov.hk/yr07-08/english/papers/ha/minutes/ha080630.pdf
Special Finance Committee meeting	25.3.2009	Reply Serial No. HAB022 Question Serial No. 1396 Question raised by Hon Tanya CHAN and the Administration's reply	http://www.legco.gov.hk/yr08-09/english/fc/fc/w_q/hab-e.pdf
		Reply Serial No. HAB076 Question Serial No. 0130 Question raised by Hon KAM Nai-wai and the Administration's reply	

Meeting	Date of meeting	Paper/Minutes	LC Paper No.
		Reply Serial No. HAB077 Question Serial No. 0131 Question raised by Hon KAM Nai-wai and the Administration's reply	

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5 May 2009