

For information

Legislative Council Panel on Home Affairs Advisory Committee on Arts Development

Purpose

This paper provides Members with background information on the establishment of the Advisory Committee on Arts Development (ACAD) under the Home Affairs Bureau (HAB).

Background

2. The Financial Secretary announced in his Budget Speech in February 2010 the proposal to inject \$3 billion into the Arts and Sport Development Fund (ASDF) as seed money and to use the investment returns to provide sustainable resources for the long-term development of the arts and sport. Following the subsequent approval by the Finance Committee of the Legislative Council (LegCo) in July 2010 (extract of FCR(2010-11)35 at Annex A), \$1.5 billion (i.e. \$3 billion shared equally between the arts and sport portions) has been injected into the arts portion of the ASDF with a view to funding more arts projects that are conducive to building a vibrant local arts scene and boosting the city's standing in the world cultural map.

3. In the context of seeking approval from LegCo for the injection of funds into the ASDF, we briefed this Panel in May 2010 (extract of LC Paper No. CB(2)1497/09-10(08) at Annex B) that a new committee would be set up to advise the Secretary for Home Affairs (SHA) on, among other things, the use of the arts portion of the ASDF, including the formulation of themes and priorities for inviting arts and cultural proposals, as well as the assessment of applications received.

4. It is a policy initiative of HAB to step up our support for small and medium-sized arts groups and encourage sponsorship of arts development. We reported to this Panel in October 2010 (extract of LC Paper No. CB(2)41/10-11(01) at Annex C) that following the Chief Executive's announcement in his 2010-11 Policy Address, we will earmark part of the investment returns of the ASDF as matching grants for arts groups with good potential, and that the details of the scheme will be drawn up in consultation with the ACAD.

Establishment of the ACAD

5. The first term of the ACAD has started with the appointment of 12 non-official Members (including the Chairman) and three ex-officio members (full membership at Annex D) from 1 November 2010 for a term of two years until 31 October 2012. The terms of reference are at Annex E.

6. The establishment of an advisory committee having a broad perspective and diversity of expertise would be conducive to the holistic development of our arts and cultural sector. The ACAD comprises members from different sectors and professions, including arts and cultural experts. Such a diversity of membership will allow cross-fertilisation of ideas, and facilitate the consideration of various aspects when processing funding applications and rolling out of the matching grant scheme under the arts portion of the ASDF to encourage private sponsorship of arts development. As we take arts to the community, it is important that the committee can benefit from the views of people outside the arts sector. It is also important to maintain a manageable size of the committee to ensure its effective operation. The ACAD will maintain close contact with the arts and cultural community.

7. Prior to November 2010, there were two committees advising the Government on the performing arts, namely the Committee on Performing Arts (CPA) and the associated Funding Committee for the Performing Arts (FCPA) whose terms expired in end October 2010. Neither of these committees dealt with visual arts. The establishment of the ACAD helped to rationalise this advisory committee structure and provided an opportunity to incorporate a visual arts element. The ACAD will oversee matters relating to the subvention of the major performing arts groups* and the review of the funding mechanism for performing arts with the assistance of a consultant. HAB has written to these groups to inform them of the establishment of the ACAD. ACAD members will meet with the representatives of the major performing arts groups when examining the latter's funding applications. This will enable the groups to present their work reports and projects in detail, thereby enhancing transparency and professional participation in the evaluation process.

* The major performing arts groups are namely Chung Ying Theatre Company, City Contemporary Dance Company, Hong Kong Ballet, Hong Kong Chinese Orchestra, Hong Kong Dance Company, Hong Kong Philharmonic Orchestra, Hong Kong Repertory Theatre, Hong Kong Sinfonietta and Zuni Icosahedron.

Way Forward

8. To further strengthen our cultural software, we will continue to take advice on matters relating to the arts and culture from various stakeholders and bodies, including the ACAD.

**Home Affairs Bureau
November 2010**

**An Extract of the
Finance Committee Paper FCR(2010-11)35 on
Injection into the Arts and Sport Development Fund (ASDF)**

Benefits of the Proposed Injection

4. Based on the assumption of an average annual investment return rate of 4% to 5% in the long run, the proposed injection of \$3 billion may generate around \$120 million to \$150 million of annual investment proceeds to be shared equally between the arts and sports portions of the ASDF. This higher level of funding available for disbursement will enable the Government to respond more positively to the development needs of the arts and sports sectors. We have considered the possible uses of the future investment proceeds from the ASDF, including the scope for supporting new initiatives, and the mechanisms for processing and vetting ASDF applications. The respective proposals for the arts and sports portions of the ASDF are set out below.

Arts Portion

Support through the Hong Kong Arts Development Council

5. SHA [the Secretary for Home Affairs] considers and approves applications to the arts portion of the ASDF. At present, the arts portion supports primarily the schemes or projects initiated or recommended by the Hong Kong Arts Development Council (HKADC)¹ in four broad categories as follows –

- (a) Budding Grant Scheme – schemes / projects that support debut or budding artists by providing performance and exhibition opportunities;
- (b) Support Scheme for Budding Artists – schemes / projects that support budding artists with recognised potential by measures such as funding their internship with established arts

¹ Established in June 1995, the HKADC is a statutory body set up under the Hong Kong Arts Development Council Ordinance (Cap. 472) to promote and develop culture and the arts in Hong Kong. With the recurrent subvention from the Government and funding from the arts portion of the ASDF, the HKADC has been supporting the development of local artists and arts groups mainly through its Two-Year Grant, One-Year Grant, Project Grant, Multi-Project Grant, Devolved Grant and Emerging Artist Grant schemes.

institutions locally or overseas;

- (c) Support for Small and Medium-sized Arts Groups – schemes / projects that support small and medium-sized arts groups, including the multi-project grant scheme that offers support to more than one project proposed by an applicant arts group; and
- (d) Arts Education, Arts Promotion and Community Participation – schemes / projects that enhance student and community appreciation of and participation in culture and the arts, including projects organised in partnership with the District Councils, non-governmental organisations and business entities to make culture and the arts more accessible to the community.

As at 30 April 2010, SHA had approved 1 287 schemes / projects with a total grant of about \$295.7 million under the arts portion of the ASDF. The uncommitted balance for this portion was \$34.5 million. A breakdown of the schemes / projects approved is at Enclosure 1.

6. The average amount of grants approved in the past three financial years is over \$22 million per annum. To strengthen the cultural software through arts programme development, audience building, manpower training and arts education, we plan to support more schemes / projects through the HKADC with the increased investment income following the proposed injection into the ASDF. We propose that an enhanced provision of around \$30 million be reserved annually for the above schemes / projects undertaken or recommended by the HKADC. In accordance with the prevailing eligibility criteria adopted by the HKADC, the subsidy ceiling for such schemes / projects, other than those initiated by HKADC itself, is \$2 million.

Support to other Arts and Cultural Proposals

7. In recent years, there have been calls to provide funding support for arts and cultural projects of a larger scale so as to build up a vibrant local arts scene and boost Hong Kong's standing in the world cultural map so as to complement the West Kowloon Cultural District project. The additional investment income generated from the proposed injection will allow SHA to consider supporting worthwhile initiatives that will contribute to the further development of the arts and culture in the community, including schemes / projects of a scale larger than those normally recommended by the HKADC, as well as time-limited programmes that require a regular source of funding spanning several

years. Our estimate is that about \$30 million to \$45 million of ASDF's investment income should be made available for such initiatives. Subject to Members' approval of the proposed injection, we will set up a committee comprising mainly non-government officials including arts experts to advise SHA on an appropriate mechanism to fund additional arts and cultural projects of different art forms (including performing and visual arts), and the themes or priorities (such as audience building) to be set for each funding application cycle. The committee will consider preliminary assessment of the applications received, and make recommendations to SHA for approval.

8. Similar to the existing monitoring mechanism applicable to schemes / projects initiated or recommended by HKADC, applicants will be required to set out clearly the targets / deliverables, and to consult SHA prior to making substantial changes to the scope of an approved scheme / project. Grant recipients will be required to submit evaluation reports and audited statements of accounts in respect of completed projects, and periodic progress report(s) for programmes that span more than a year. Any unspent balance will be returned to the ASDF. Detailed funding and assessment criteria and the control mechanism will be worked out by the advisory committee to be established.

Enclosure 1 to FCR(2010-11)35

**Approved Arts Schemes/Projects by Category
between 1 January 1997 and 30 April 2010**

Between January 1997 and March 2007

Nature of Projects	Number of Projects	Amount Approved (\$)
Research	95	32,393,896
Arts Education	164	25,412,354
Arts Promotion	826	133,046,588
Cultural Exchange	62	36,315,672
Total	1 147	227,168,510

Between April 2007 and April 2010 (with programme areas re-organised to focus on the nurturing of small and medium-sized groups and budding artists)

Nature of Projects	Number of Schemes / Projects	Amount Approved (\$)
Budding Grant Scheme	6	8,550,000
Support Scheme for Budding Artists	4	7,870,000
Support for Small and Medium-sized Performing Arts Groups	107 ^{Note}	13,727,500
Arts Education, Arts Promotion and Community Participation	23	38,394,700
Total	140	68,542,200

^{Note} This includes the 2008-10 Multi-project Grant Scheme (involving 37 projects), the 2009-11 Multi-project Grant Scheme (involving 30 projects) and the 2010-12 Multi-project Grant Scheme (involving 39 projects), and one other project to support small and medium-sized performing arts groups.

**An Extract of the
Legislative Council Panel on Home Affairs Paper
LC Paper No. CB(2)1497/09-10(08) on
Proposed Capital Injection into the
Arts and Sport Development Fund (ASDF)**

PROPOSED FUTURE USES OF THE ASDF

Arts Projects

7. In line with our vision to strengthen the cultural software through arts programme development, audience building, manpower training and arts education, it is our plan to further support the long-term development of the arts and cultural sector with increased annual funding to support more projects through the HKADC [Hong Kong Arts Development Council] following the proposed injection into the ASDF.

8. Past experience has also indicated that there are bigger scale arts and cultural projects worth supporting that may not have ready access to public funding support. The additional investment income generated from the proposed injection will allow us to consider supporting significant projects that are conducive to building up a vibrant local arts scene and boosting the city's standing in the world cultural map so as to complement the West Kowloon Cultural District project. For this reason, in addition to our continuous support to the HKADC to promote the arts sector and the Secretary for Home Affairs (SHA)'s disbursement of funds to worthwhile initiatives that will make a significant contribution to the further development of the arts and culture in the community, an advisory committee consisting mainly of non-government officials will be established to advise SHA on the apportionment of funds from the arts portion of the ASDF, taking into account resources available, to the key areas set out in paragraphs 11 and 12 below.

Detail

(b) Funding for Arts and Cultural Proposals

11. The newly established advisory committee will advise SHA on, inter alia, how the remainder of the arts portion of the ASDF should be used to fund arts and cultural proposals initiated by individuals or organizations. For the reason given in paragraph 8 above, the proposed funding mechanism whereby applications are assessed by the advisory

committee should seek to support –

- (a) schemes / projects of a larger scale than those normally funded by the HKADC, with a subsidy level of above \$2 million; and
- (b) longer-term yet time-limited programmes, the implementation of which would otherwise not be possible without a regular source of funding during the implementation period.

12. Detailed funding criteria, including any themes and/or priorities (such as audience building) to be set for inviting funding applications, assessment criteria and control mechanism, would be worked out by the committee to be established. The advisory committee would also advise on the ceiling amount of the grants to be disbursed, to ensure that the total grants approved in a year would not exceed the investment return generated from the previous year.

**An Extract of the
Legislative Council Panel on Home Affairs Paper
LC Paper No. CB(2)41/10-11(01) on
Policy Initiatives of Home Affairs Bureau**

Cultural Software

4. To promote our arts and cultural development and in tandem with the progress of the West Kowloon Cultural District, we would continue to invest resources and adopt a multi-pronged approach in strengthening our cultural software through arts programme development, manpower training, promotion of arts education and audience building.

5. Small and medium-sized arts groups as well as budding artists are instrumental in the development of the arts scene. To step up our support for small and medium-sized arts groups and encourage sponsorship supportive of arts development, we will earmark part of the investment returns of the Arts and Sport Development Fund as matching grants for arts groups with good potential so that eligible arts groups will receive matching grants for private donation raised. We are drawing up the details of the scheme and will consult the Advisory Committee on Arts Development which will be established soon. It is expected that the matching grants will be open for application next year.

Advisory Committee on Arts Development

Membership (from 1 November 2010 to 31 October 2012)

Chairman

- Mr CHUNG Shui-ming
 - Former Vice-chairman of the Board of Governors of the Hong Kong Philharmonic Society Limited
 - Former Chairman of the Council of City University of Hong Kong

Members

- Ms Kelly CHAN Yuen-sau
 - Financial Controller of Moët Hennessy Diageo
- Mr Irving KOO Yee-yin
 - Managing Director of Trion Pacific Limited
 - Former Member of Committee on Performing Arts and Chairman of the Working Group on Arts Education thereunder
- Dr LAM Pun-lee
 - Associate Professor of the School of Accounting and Finance, The Hong Kong Polytechnic University
 - Former Member of the Funding Committee for the Performing Arts
 - Former Member of the Committee on Performing Arts
- Professor Harold MOK Kar-leung
 - Chairman and Professor of the Department of Fine Arts, The Chinese University of Hong Kong
- Miss Stella LEE Wai-fun
 - President of Success Futures and Foreign Exchange Limited
- Mr Maurice LEE Wai-man
 - Principal of Maurice W M Lee Solicitors
 - Vice-chairman of the Hong Kong Arts Development Council
 - Member of CreateSmart Initiative Vetting Committee
 - Former Member of the Committee on Performing Arts

- Ms Cecilia LEUNG Oi-ting
 - General Manager of Inflight Services and International Affairs, Dragonair

- Ms Nancy LOO
 - Piano faculty of the Hong Kong Academy for Performing Arts
 - Presenter at RTHK 4
 - Member of the Music Art Form Panel under the Leisure and Cultural Services Department

- Ms MUI Cheuk-yin
 - Associate Choreographer of the City Contemporary Dance Company
 - Member of the Dance and Multi-arts Art Form Panel under the Leisure and Cultural Services Department

- Dr Dorothy NG Fung-ping
 - Assistant Professor of the Faculty of Education, The University of Hong Kong
 - Member of the Cantonese Opera Advisory Committee
 - Member of the Intangible Cultural Heritage Advisory Committee

- Mr Ernie SUEK Ka-lun
 - Chairman, Neway Group Holding Limited

Ex-officio Members

- Representative from the Home Affairs Bureau

- Representative from the Leisure and Cultural Services Department

- Representative from the Hong Kong Arts Development Council

Advisory Committee on Arts Development

Terms of Reference

To advise the Secretary for Home Affairs on the following –

1. issues in relation to the use of the arts portion of the Arts and Sport Development Fund (ASDF), including the formulation of themes and priorities for inviting arts and cultural proposals as well as the assessment of the applications received;
2. issues in relation to the operation of matching grants under the arts portion of the ASDF, including the assessment of the applications for matching grants received;
3. funding policies and strategies, including the review of the funding mechanism for the major performing arts groups;
4. the promotion of cultural exchanges and assessment of applications received under the Arts Development Fund to enhance the profile of the arts and culture of Hong Kong in the Mainland and overseas; and
5. strengthening of the cultural software, including arts programme development, audience building, arts education and manpower training, and other issues pertaining to the promotion of the arts and culture in Hong Kong.