

MOST MUSEUM OF SITE

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Dear Chairman & Members of Committee,

Re: Principles of Operation- Hong Kong Film Development Fund (4/3/2007)

Re the *Principles of Operation*, MOST is of the following opinions:

1. The Fund should be operated on a **Matching Fund Basis** (The Government Fund 50-60%: The Applicant 40-50%).
2. The Fund should support '**Original, Commercial Film-making/ Production**'. For research, forum, education and other supporting works, it should be the ambit of other public film organizations. The Film Committee of the HKADC can support the making of forward-looking, edging, independent and experimental film, but not commercial film instead. Division of labor is needed among public-funded bodies.
3. Working on an equal opportunity basis, each company can only **make one application** each time. For those companies with projects outstanding/ incomplete, applications should not be entertained. Applicants and high-level production staffs of film companies should not involve in 2 or more applications simultaneously.
4. The Assessment Panel should seek **international professional advice**. The advisors should be knowledgeable of international market and feasibility of the project. Public money should be spent on viable projects.
5. To **avoid conflict of interest** and to ensure the **integrity of intellectual property** in the process of assessment, all juries' name must be disclosed to the public and a strict process of declaring conflict of interest is required when interest arising in the assessment process.
6. The supported project should be assessed and the **market sale must be audited** with proof records and processed by **public accountants** appointed by the Government or the Fund. In this connection, the current operation of the film industry mechanism must be comprehensively reformed and its **TRANSPARENCY** must be ensured before public funding and is approved. This also helps to attract more commercial sponsorship of film-making in the long-run.
7. All companies must have sound and provable **track records**. To avoid risk, application of new company without publicly screened production before should not be entertained.
8. **The Re-fund Criteria**
The loan must be completely **refundable** to the Government in case profit is made.
If the projects records profit, the profit should be proportionately returned to the Government/ The Fund.
If the project records deficit, the Government should absorb the loss itself.

Thank you very much.

Andrew Lam Hon Kin (林漢堅)

Spokesperson,

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