

## **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 Finance Committee the retention of the non-civil service position of Secretary-General of the Film Development Council at the equivalent rank of D2 (\$117,950 - \$129,000) in the Commerce and Economic Development Bureau for a period of two years from November 2011 to November 2013.

### **PROBLEM**

We need to continue to provide support at directorate level to the work of the Hong Kong Film Development Council (FDC) to oversee the administration of the film-related funding schemes and promotion of the local film industry.

### **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 November 2011 to November 2013.

**/JUSTIFICATION .....**

## JUSTIFICATION

3. The film industry is the flagship of the creative industries in Hong Kong. It contributes significantly to the development of our creative industries as well as tourism, and enhances the international and cultural image of Hong Kong. The Government is committed to providing a favourable environment conducive to the long-term and healthy development of the Hong Kong film industry. The FDC has been set up to advise the Secretary for Commerce and Economic Development on relevant policies and activities, including manpower training, Mainland and overseas promotion, and film support. The annual film production volume of the local film industry was around 50 in 2008, and increased to over 70 in both 2009 and 2010. Notwithstanding the signs of recovery observed in recent years, the film industry still needs support in order to revitalise and further develop.

4. SG/FDC is a non-civil service position established under Create Hong Kong (CreateHK) of the Communications and Technology Branch (CTB) of the Commerce and Economic Development Bureau (CEDB) to strengthen the support for the work of the FDC and administration of the film-related funding schemes. SG/FDC, as Assistant Head of CreateHK, reports to Head of CreateHK. Underpinned by his team, the post holder has been providing very effective support to the FDC and its committees<sup>1</sup>, managing the Film Development Fund (FDF) and the Film Guarantee Fund (FGF), conducting researches and commissioning studies, providing film shooting facilitation services, implementing initiatives recommended by the FDC, co-ordinating and liaising with stakeholders in the film industry, as well as promoting Hong Kong films locally and abroad. The existing organisation chart of CreateHK and job description of SG/FDC are at Enclosures 1 and 2 respectively.

Encls.  
1 & 2

## Support for FDC

5. The FDC is chaired by a non-official and comprises mainly members of the film industry. SG/FDC heads the Film Services Office (FSO) of CreateHK, which serves as the FDC Secretariat in providing secretarial, administrative and logistical support to the FDC and its committees. With the support of the FDC Secretariat, the FDC formulates strategies and action plans for the development of the film industry, and organises promotional activities for the benefit of the industry.

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<sup>1</sup> The FDC has set up three committees to pursue film-related issues, including the Fund Vetting Committee, the Support Services Committee and the Mainland Market Committee. It has also set up a Panel of Examiners comprising 43 members from the industry to help examine applications in respect of film production financing.

6. Under the large-scale project entitled “Hong Kong Film New Action”<sup>2</sup>, the FDC led delegations to visit Taiwan, Guangzhou, Singapore and Malaysia from December 2008 to February 2009, and organised a series of promotional activities such as business forums, symposiums, seminars, exhibitions, and workshops concurrently with Hong Kong International Film and Television Market from 2009 to 2011. “Hong Kong 3D Film New Action” was staged in March 2010 for showcasing Hong Kong’s 3D movie production technology and achievements with the aim of attracting overseas investors to use the “one-stop” post-production service of Hong Kong’s film industry and hence build up a long-term collaboration relationship. A region-wide symposium entitled “Beyond Box Office” was held in end March 2011 to explore new business opportunities arising from the rapid development of the Internet, mobile television, online games, comics and animation, and the on-going online film distribution reform in the Mainland.

7. In collaboration with the FSO, the FDC organised a number of film festivals in the Mainland and overseas. The “Hong Kong Film Retrospective” was held in Guangzhou and Shanghai in May and October 2010 respectively to show over 20 acclaimed Hong Kong films, with a view to enhancing the Mainland audience’s understanding and appreciation of Hong Kong films. With a total attendance of more than 7 000 audience, the turnout was encouraging. The FDC also participated in the Venice Film Festival in September 2010 and led a delegation of Hong Kong filmmakers in February 2011 to participate in the 2011 Berlinale so as to introduce Hong Kong films to international audience and enhance exchanges between Hong Kong filmmakers and their European counterparts.

### **Management of the film-related funding schemes**

8. SG/FDC assists the Head of CreateHK in overseeing the administration and management of the funds established to promote the development of the film industry. In particular, SG/FDC liaises closely with film-related organisations to actively promote the use of the FDF.

9. The FDF provides financial support for the production of small-to-medium budget films, and finances projects which are beneficial to the long-term and healthy development of the film industry. Since the injection of \$300 million into the FDF in July 2007, 16 applications for film production

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<sup>2</sup> The key elements of this project, which was rolled out by the FDC, are to revitalise the market for Hong Kong films in Taiwan and Southeast Asia, to further expand the Mainland market, to promote the new generation film directors of Hong Kong, to enhance the understanding of the producers, distributors and investors in these markets of the business opportunities in Hong Kong; to seek opportunities for collaboration in film production; and to promote the “one-stop” post-production services of Hong Kong’s film industry.

financing have been approved with total funding of about \$46 million whereas 60 applications for other film-related projects<sup>3</sup> have been approved with total approved funding of about \$104 million. In consultation with the Legislative Council, we introduced improvement measures to the film production financing scheme of the FDF in late March 2010. SG/FDC plays a key role in continuing to monitor the operation of the FDF and identifying further areas for improvement to benefit the film industry.

10. SG/FDC provides managerial support to the FDC in vetting funding applications under the FDF Scheme. Upon approval of the funding applications, the Government will execute a set of financing contracts with the successful applicants. SG/FDC is responsible for overseeing such administrative arrangements including preparation of contracts, disbursement of funds, monitoring of the use of funds, etc., so as to protect the public coffer.

### **Fast-expanding film market in the Mainland**

11. The Mainland film market has been growing at an unprecedented rate in recent years. Liberalisation measures for the film industry introduced under the Mainland and Hong Kong Closer Economic Partnership Agreement (CEPA) have created new opportunities for the Hong Kong film industry. FSO has made considerable efforts and deployed manpower resources in assisting Hong Kong directors and producers in establishing their contacts with potential investors and major film distributors in the Mainland. There is huge potential to develop in this area which will substantially benefit the local film industry. SG/FDC would continue to have a significant role to play in leading the FSO to help the local film industry capitalise on the opportunities offered by the expanding Mainland market and CEPA.

12. In addition, the 100 million Cantonese-speaking population in Guangdong Province is a significant potential market for Hong Kong's small-to-medium budget films which are produced in Cantonese dialect. FSO under the leadership of SG/FDC would seek to facilitate the release of Hong Kong films in synchronisation with Guangdong Province, with a view to expanding the market for Hong Kong films to cover the entire Cantonese-speaking population in Southern China and building up a solid base and home turf for Hong Kong's film industry.

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<sup>3</sup> These projects cover a wide variety of areas, including mega promotional events for films (e.g. Hong Kong Film Awards), production of an industry handbook and an animation teaching kit for secondary schools, funding support for the industry to attend overseas film festivals, and organisation of training programmes to help nurture talent and address manpower problems for the industry.

### **Need for Continuity of the Position of SG/FDC**

13. The film industry will continue to be a priority area for Government's promotional efforts to drive creative industries. SG/FDC has been playing a key co-ordinating and orchestrating role in supporting the work of the FDC, steering the work of the FSO, and liaising closely with members of the film industry locally, in the Mainland and overseas in promoting the continued growth of the industry. Such work should continue in the future, especially given the need to help the local film industry grasp the opportunities of the fast-expanding Mainland market.

14. We consider it essential to continue to have a dedicated officer at the present level of D2 with strong leadership skills and trade knowledge to head the FDC Secretariat in providing support to the FDC, managing the film-related funding schemes and overseeing the day-to-day operation of the FSO under CreateHK. SG/FDC is the only officer in CreateHK who provides directorate support to the Head of CreateHK. We propose that the non-civil service position of SG/FDC be retained for another two years with effect from 16 November 2011. We are reviewing the long-term need of the position in light of the operation experience gained by CreateHK since its establishment in June 2009, the implementation of the enhanced film production financing scheme since March 2010, as well as the strengthened promotion and marketing activities to be held in the Mainland.

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

15. Since a two-year contract for SG/FDC will enable us to attract candidates with the right calibre and experience to take up the position, we consider it appropriate to extend the position for two years.

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

16. The FSO has 26 non-directorate civil service officers and six non-civil service contract staff headed by SG/FDC.

### **Alternatives considered**

17. We have carefully examined the existing staffing of CTB (including CreateHK) at the directorate level. Apart from SG/FDC, Head of CreateHK is the only directorate officer in CreateHK. He is already fully stretched in overseeing the specialised function and operation of CreateHK serving all sectors of the creative

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industries, and has no spare capacity for sharing out the work of SG/FDC. Looking beyond CreateHK, CTB has two directorate officers at D2 level. Principal Assistant Secretary for Commerce and Economic Development (Communications and Technology) (PAS(CT)) A is fully committed to handling matters relating to broadcasting and control of obscene and indecent materials. PAS(CT) B is heavily engaged in matters in respect of telecommunications and the proposed establishment of the Communications Authority. In view of the increased workload of the FDC and the FSO, the Government's commitment to promoting Hong Kong's creative industries, and the expertise in the film industry required for the position of SG/FDC, it is operationally not possible for the two existing directorate officers of comparable ranks in CTB to take up the full range of duties of SG/FDC. If the SG/FDC position could not be retained, the support and service to the FDC and the FSO at the directorate level would be substantially weakened, to the detriment of the efficient and effective operation of the FDC and FSO.

## **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 \$2,097,000 (including salaries and staff on-cost) for a civil service post ranked at Administrative Officer Staff Grade C (D2) level. CTB will absorb the additional expenditure from within their resources in 2011-12 and will include necessary provision in the Estimates of subsequent years to meet the cost of the proposal.

## **PUBLIC CONSULTATION**

19. We consulted the Legislative Council Panel on Information Technology and Broadcasting (ITB Panel) on 9 May 2011. Members supported the proposal to retain the SG/FDC position for a period of two years.

20. At the said meeting of the ITB Panel, some Members enquired whether the non-civil service position of SG/FDC would be made permanent and whether the FSO with its existing establishment had sufficient capacity to handle the increasing workload of supporting the film industry. The Administration explained that the long-term need of the position of SG/FDC would be reviewed, as set out in paragraph 14 above. The existing manpower of the FSO is considered sufficient to meet service needs.

**/BACKGROUND .....**

**BACKGROUND**

21. The Administration first proposed in 2007 to create a permanent post of SG/FDC on account of the need to strengthen the support for the work of the FDC and the administration of the film-related funding schemes. In light of concerns expressed by Members of the Establishment Subcommittee on 13 June 2007 over the long-term need of the post, the Administration revised the proposal to create a non-civil service position for two years. The Finance Committee subsequently approved the creation of the position on 6 July 2007 vide EC(2007-08)9 and extended it for two years on 3 July 2009 vide EC(2009-10)8. The position will lapse on 16 November 2011.

**ESTABLISHMENT CHANGES**

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

| Establishment<br>(Note) | Number of Posts                  |                       |                                    |                       |
|-------------------------|----------------------------------|-----------------------|------------------------------------|-----------------------|
|                         | Existing<br>as at<br>1 June 2011 | As at<br>1 April 2011 | As at<br>1 April 2010 <sup>#</sup> | As at<br>1 April 2009 |
| A                       | 5*                               | 5                     | 5                                  | 4                     |
| B                       | 22                               | 22                    | 22                                 | 10                    |
| C                       | 71                               | 71                    | 70                                 | 38                    |
| <b>Total</b>            | <b>98</b>                        | <b>98</b>             | <b>97</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 upon the establishment of CreateHK on 1 June 2009. 38 non-directorate posts were also redeployed from Innovation and Technology Commission, Television and Entertainment Licensing Authority and Office of the Government Chief Information Officer to CreateHK upon its establishment on 1 June 2009

\* as at 1 June 2011, there was no unfilled directorate post in CEDB(CTB). The figure does not include the non-civil service position of SG/FDC.

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**CIVIL SERVICE BUREAU COMMENTS**

23. The Civil Service Bureau supports the proposed retention of the non-civil service position for two years to continue supporting at directorate level the work of FDC, and having a dedicated directorate officer to oversee the administration of the film-related funding schemes and the work to promote the continued growth of the local film industry.

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

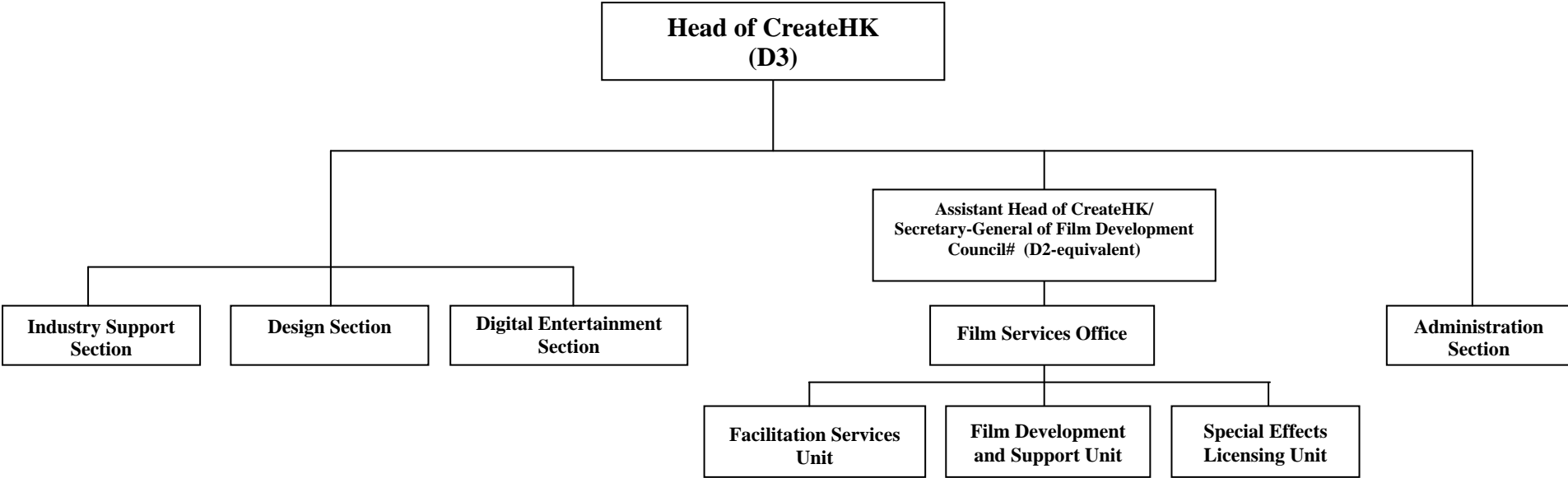
24. As we propose to retain a non-civil service position in CEDB(CTB), advice from the Standing Committee on Directorate Salaries and Conditions of Service is not required.

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Commerce and Economic Development Bureau  
May 2011



Existing Organisation Chart of the Create Hong Kong



- Providing support for other creative industries streams
- Administering general funding schemes and the CreateSmart Initiative
- Being the secretariat for the vetting committee of the CreateSmart Initiative
- Organising promotion events and activities and other special projects
- Facilitating talent development initiatives and administering schemes for talent development

- Administering the DesignSmart Initiative
- Being responsible for policy issues and housekeeping matters of the Hong Kong Design Centre
- Housekeeping of the InnoCentre programme and Design Incubation Programme
- Being responsible for branding matters

- Being responsible for digital entertainment policy and strategy
- Collaborating with the Digital Entertainment Industry Support Centre
- Assisting local digital entertainment companies to source and access support services and resources available from various industry supporting organisations

- Facilitating film production in Hong Kong, in particular on location shooting
- Assisting in the organisation of film promotional events, including film festivals
- Maintaining a resource centre and a dedicated website on film production services in Hong Kong

- Administering the Film Guarantee Fund and the Film Development Fund to provide funding support to the industry
- Assisting the building up of capacity and technical knowledge for local filmmakers

- Regulating the use of special effects materials for producing entertainment special effects in films, television programmes and theatrical performances

- Overseeing general administration
- Performing human resources management functions
- Coordinating stores and procurement matters

Legend:  
# Non-civil service position

**Job Description**  
**Secretary-General of Film Development Council/  
Assistant Head of Create Hong Kong**

**Rank** : A non-civil service position at the equivalent rank of D2

**Responsible to** : Head of Create Hong Kong

**Main Duties and Responsibilities –**

- (i) 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.
- (ii) To assist the Head of Create Hong Kong 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.
- (iii) To conduct film-related researches and commission external studies.
- (iv) 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.
- (v) 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.
- (vi) To represent Hong Kong in marketing and promoting Hong Kong films internationally.
- (vii) To liaise with relevant bureaux and departments on legislative measures (e.g. anti-piracy) to safeguard the interest of the film sector.
- (viii) 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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