

LEGISLATIVE COUNCIL BRIEF

Registration of Local Newspapers Ordinance (Chapter 268)

NEWS AGENCIES REGISTRATION (AMENDMENT) REGULATION 2005

NEWSPAPERS REGISTRATION AND DISTRIBUTION (AMENDMENT) REGULATION 2005

INTRODUCTION

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) to vary fees which have previously been determined by subsidiary legislation made by the Chief Executive in Council.

2. In exercise of this power, the Secretary for Financial Services and the Treasury has made the News Agencies Registration (Amendment) Regulation 2005 and the Newspapers Registration and Distribution (Amendment) Regulation 2005 (the amendment regulations) as set out at Annexes A and B respectively, to vary the fees specified in the following subsidiary legislation pursuant to section 18 of the Registration of Local Newspapers Ordinance (Cap. 268) (RLNO)-

(a) News Agencies Registration Regulations (Cap. 268A); and

(b) Newspapers Registration and Distribution Regulations (Cap. 268B).

The purpose of the amendment regulations is to revise the specified fees collected by the Commissioner for Television and Entertainment Licensing (CTEL) under the RLNO with effect from 1 December 2005.

JUSTIFICATIONS

3. It is Government policy that fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the goods or services. However, the Government has frozen most fees and charges since 1998 as an exceptional measure to alleviate the financial burden on the public in times of economic difficulty. In the 2004-05 Budget Speech, the Financial Secretary indicated the need to resume the revision of government fees and charges, starting with those that do not directly affect people's livelihood or general business activities. Fees under the RLNO, which have remained unchanged since 1994, are in this category.

4. Under the RLNO, CTEL registers news agencies and local newspapers, and issues licences for newspaper distributors. Fees are levied for providing these services and for searching, inspecting and obtaining certified extracts from any register of news agencies and local newspapers.

5. A costing exercise at 2004-05 price level on the fees under the RLNO has been carried out. The findings of the exercise revealed that 11 fees should be revised, with nine increases and two reductions. The relevant cost computation is tabulated at Annex C. The proposed adjustments to each fee are further set out at Annex D.

C
D

THE AMENDMENT REGULATIONS

6. The amendment regulations at Annexes A and B will give effect to the proposed adjustments in fees as listed at Annex D.

FINANCIAL AND STAFFING IMPLICATIONS

7. Revenue generated is likely to be reduced as a result of the fees revision. The reduction in revenue is estimated to be in the region of \$25,000 per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

8. The revised fees have relatively little impact on the daily life of the general public or the running cost of business operators.

PUBLIC CONSULTATION

9. We consulted the Legislative Council Panel on Home Affairs on the proposed fee revisions under various pieces of legislation under the Home Affairs Bureau's purview at its meeting on 21 March 2005. Members did not raise any objection to the proposed revisions of fees under the RLNO. No other public consultation has been conducted as the proposed adjustments are not significant.

PUBLICITY

10. A press release will be issued on the day when the amendment regulations are published in the Gazette.

Home Affairs Bureau
June 2005

COST COMPUTATION

Television and Entertainment Licensing Authority

News Agencies Registration Regulations (Chapter 268A)
Newspapers Registration and Distribution Regulations (Chapter 268B)

Cost at 2004-05 Prices

	Search for a news agency register	Certified true copy of a news agency register	First application of a news agency	Annual renewal of registration of news agency	Change of particulars of a news agency	Search for a newspaper register	Certified true copy of a newspaper register	First registration of local newspaper	Annual renewal of registration of local newspaper	Change of particulars of local newspaper registration	Annual renewal of newspaper distributor's licence
Staff Costs	\$50	\$132	\$1,037	\$3,607	\$396	\$722	\$20,837	\$336,690	\$352,577	\$102,769	\$18,252
Departmental Expenses	\$3	\$7	\$50	\$207	\$20	\$42	\$874	\$15,517	\$19,387	\$5,021	\$838
Accommodation Costs	\$4	\$10	\$68	\$263	\$27	\$54	\$1,251	\$20,950	\$84,387	\$6,738	\$1,144
Central Administrative Overhead	\$4	\$10	\$79	\$275	\$30	\$55	\$1,590	\$25,683	\$26,895	\$7,839	\$1,392
Total Cost	\$61	\$159	\$1,234	\$4,352	\$473	\$873	\$24,552	\$398,840	\$483,246	\$122,367	\$21,626
Estimated number of cases	1	1	1	6	1	8	111	342	710	274	25
Unit Cost	\$61	\$159	\$1,234	\$725	\$473	\$109	\$221	\$1,166	\$681	\$447	\$865
Existing Fee	\$28	\$115	\$785	\$785	\$83	\$28	\$115	\$785	\$785	\$83	\$785

	Search for a news agency register	Certified true copy of a news agency register	First application of a news agency	Annual renewal of registration of news agency	Change of particulars of a news agency	Search for a newspaper register	Certified true copy of a newspaper register	First registration of local newspaper	Annual renewal of registration of local newspaper	Change of particulars of local newspaper registration	Annual renewal of newspaper distributor's licence
Proposed fee with effect from 1 December 2005	\$32	\$125	\$905	\$725	\$100	\$33	\$130	\$905	\$680	\$100	\$865
Percentage Change over existing level	+14%	+9%	+15%	-8%	+20%	+18%	+13%	+15%	-13%	+20%	+10%

Note:

The level of fee increase was determined in accordance with the following guidelines as advised by the Financial Services and the Treasury Bureau –

- (a) achieve full-cost recovery within seven years for those fees with existing cost recovery rate of less than 40% below target, through a 20% increase;
- (b) achieve full-cost recovery within three to seven years for those fees with existing cost recovery rate of between 40% and 70% of target, through a 15% increase; and
- (c) achieve full-cost recovery within one to three years for those fees with existing cost recovery rate of over 70% of target, through a 10% or lower increase.

For fee reductions, the fees would be adjusted downward to achieve full cost recovery in one go.

News Agencies Registration (Amendment) Regulation 2005

Newspapers Registration and Distribution
(Amendment) Regulation 2005**Fee Revision Proposal**

Item	Description of fees	Relevant provisions	Current fee level	Proposed new fee level	Percentage of increase/decrease
1.	Search for a news agency register	Cap. 268A (Reg. 11)	\$28	\$32	+14%
2.	Certified true copy of a news agency register	Cap. 268A (Reg. 11)	\$115	\$125	+9%
3.	First application of a news agency	Cap. 268A (Reg.13(1))	\$785	\$905	+15%
4.	Annual renewal of registration of news agency	Cap. 268A (Reg.13(2))	\$785	\$725	-8%
5.	Change of particulars of a news agency	Cap. 268A (Reg.13(3))	\$83	\$100	+20%
6.	Search for a newspaper register	Cap. 268B (Reg. 10)	\$28	\$33	+18%
7.	Certified true copy of a newspaper register	Cap. 268B (Reg. 10)	\$115	\$130	+13%
8.	First registration of local newspaper	Cap. 268B (Reg.12(1))	\$785	\$905	+15%

Item	Description of fees	Relevant provisions	Current fee level	Proposed new fee level	Percentage of increase/decrease
9.	Annual renewal of registration of local newspaper	Cap. 268B (Reg.12(2))	\$785	\$680	-13%
10.	Change of particulars of local newspaper registration	Cap. 268B (Reg.12(3))	\$83	\$100	+20%
11.	Annual renewal of newspaper distributor's licence	Cap. 268B (Reg.13(2))	\$785	\$865	+10%