

## **LEGISLATIVE COUNCIL BRIEF**

Entertainment Special Effects Ordinance (Cap. 560)

### **ENTERTAINMENT SPECIAL EFFECTS (FEES) (AMENDMENT) REGULATION 2005**

#### **INTRODUCTION**

A The Entertainment Special Effects (Fees) (Amendment) Regulation 2005 (the Amendment Regulation) at **Annex A** has been made to reduce the fees prescribed in the Entertainment Special Effects (Fees) Regulation (ESE(F)R).

#### **BACKGROUND AND ARGUMENT**

2. The Entertainment Special Effects Ordinance (ESEO) (Cap. 560) provides for the regulation of the supply, use, conveyance and storage of special effects materials for and incidental to the production of special effects in film production, entertainment programmes and performances, and other related matters. The Commissioner for Television and Entertainment Licensing is the Entertainment Special Effects Licensing Authority by virtue of section 3 of the ESEO.

3. Section 26(1)(o) of the ESEO stipulates that the Entertainment Special Effects Licensing Authority may, with the approval of the Secretary for Commerce, Industry and Technology, by regulation provide for fees payable in respect of the issue, renewal, certification, replacement or alteration of any licence and permit. The existing fees prescribed in the ESE(F)R have been in effect since March 2001.

4. It is government policy that in line with the “user pays” principle, fees should in general be set at levels sufficient to recover the full cost of providing the services.

B  
C

5. Based on the outcome of a costing exercise conducted by the Television and Entertainment Licensing Authority to review the fees prescribed in the ESE(F)R, the Government has proposed to reduce the fees. The reductions range from 7.1% to 10.7%. The existing and new fees are set out at **Annex B**. The cost computations are at **Annex C**. The reductions are attributable to the savings resulting from the streamlining of licensing procedures.

## **THE AMENDMENT REGULATION**

6. To reduce the fees prescribed in the ESE(F)R, we propose to amend the ESE(F)R by the Entertainment Special Effects (Fees) (Amendment) Regulation 2005.

## **LEGISLATIVE TIMETABLE**

7. The legislative timetable is as follows:

Publication in the Gazette	15 April 2005
Tabling at the Legislative Council	20 April 2005
Commencement	10 June 2005

## **IMPLICATIONS**

8. The fee revision proposal will lead to a reduction in government revenue of about \$57,000 per annum. It will bring down the operating costs of the film and entertainment industry slightly, but has negligible implications for the economy as a whole.

9. The Amendment Regulation is in conformity with the Basic Law, including the provisions concerning human rights. It has no civil service, productivity, environmental or sustainability implications.

## **PUBLIC CONSULTATION**

10. We have consulted the film and entertainment industry, which supports the proposed fee reductions. We also consulted the Legislative

Council Panel on Information Technology and Broadcasting on 14 March 2005, which had no objection to the proposal.

## **PUBLICITY**

11. A press release will be issued on 15 April 2005 on which the Amendment Regulation will be published in the Gazette and a spokesman will be made available for answering media enquiries. The licensees and the companies in the industry will be informed of the fee reductions.

## **ENQUIRIES**

12. Enquiries about this brief can be directed to Mr John Lun-cheong Mak, Senior Engineer (Special Effects), on 2594 5825 or at [john\\_lc\\_mak@tela.gov.hk](mailto:john_lc_mak@tela.gov.hk).

**Television and Entertainment Licensing Authority**  
**13 April 2005**

**ENTERTAINMENT SPECIAL EFFECTS (FEES)  
(AMENDMENT) REGULATION 2005**

(Made under section 26 of the Entertainment Special Effects Ordinance  
(Cap. 560) with the approval of the Secretary for  
Commerce, Industry and Technology)

**1. Commencement**

This Regulation shall come into operation on 10 June 2005.

**2. Schedule amended**

The Schedule to the Entertainment Special Effects (Fees) Regulation (Cap. 560 sub. leg. B) is amended –

- (a) in item 1, by repealing “490” and substituting “445”;
- (b) in item 2, by repealing “350” and substituting “325”;
- (c) in item 3(a), by repealing “1,710” and substituting “1,540”;
- (d) in item 3(b), by repealing “1,500” and substituting “1,370”;
- (e) in item 4(a), by repealing “1,260” and substituting “1,150”;
- (f) in item 4(b), by repealing “1,500” and substituting “1,370”;
- (g) in item 5(a), by repealing “590” and substituting “540”;
- (h) in item 5(b), by repealing “560” and substituting “505”;
- (i) in item 6(a), by repealing “1,480” and substituting “1,370”;
- (j) in item 6(b), by repealing “1,500” and substituting “1,370”;
- (k) in item 7(a), by repealing “590” and substituting “540”;
- (l) in item 7(b), by repealing “560” and substituting “505”;
- (m) in item 8(a), by repealing “1,710” and substituting “1,540”;

- (n) in item 8(b), by repealing “1,500” and substituting “1,370”;
- (o) in item 9(a), by repealing “1,710” and substituting “1,540”;
- (p) in item 9(b), by repealing “1,500” and substituting “1,370”;
- (q) in item 10(a), by repealing “590” and substituting “540”;
- (r) in item 10(b), by repealing “560” and substituting “505”;
- (s) in item 11(a), by repealing “590” and substituting “540”;
- (t) in item 11(b), by repealing “560” and substituting “505”;
- (u) in item 12, by repealing “7,730” and substituting “7,050”;
- (v) in item 13, by repealing “7,460” and substituting “6,810”;
- (w) in item 14, by repealing “850” and substituting “770”;
- (x) in item 15, by repealing “140” and substituting “125”;
- (y) in item 16, by repealing “140” and substituting “125”;
- (z) in item 17, by repealing “140” and substituting “125”.

Entertainment Special Effects  
Licensing Authority

2005

**Explanatory Note**

The Schedule to the Entertainment Special Effects (Fees) Regulation (Cap. 560 sub. leg. B) sets out the respective fees payable in respect of the issue,

renewal, certification, replacement or alteration of various licences or permits, or in respect of the assessment required for the issue or alteration of various licences under the Entertainment Special Effects Ordinance (Cap. 560) or the Entertainment Special Effects (General) Regulation (Cap. 560 sub. leg. A).

2. This Regulation amends the Schedule to reduce, with effect from 10 June 2005, the fees payable in respect of –

- (a) the issue of a permit (see items 1 and 2 of the Schedule);
- (b) the issue or renewal of a special effects operator licence (see items 3(a), 4(a), 6(a), 8(a) and 9(a) of the Schedule);
- (c) the issue or renewal of a special effects assistant licence (see items 5(a), 7(a), 10(a) and 11(a) of the Schedule);
- (d) the issue or renewal of a pyrotechnic special effects materials supplier or store licence (see items 12, 13 and 14 of the Schedule);
- (e) the replacement, alteration or certification of a licence or permit (see items 15, 16 and 17 of the Schedule); and
- (f) the assessment required for the issue or alteration of a special effects operator licence or special effects assistant licence (see items 3(b), 4(b), 5(b), 6(b), 7(b), 8(b), 9(b), 10(b) and 11(b) of the Schedule).

**Existing and Proposed Fees under  
The Entertainment Special Effects (Fees) Regulation (ESE(F)R)**

Item specified in the Schedule of ESE(F)R		Existing Fee (\$)	New Fee (\$)	Change	
				(\$)	(%)
1	Issue of discharge permit	490	445	-45	-9.2%
2	Issue of conveyance permit	350	325	-25	-7.1%
3(a) 8(a) 9(a)	Issue or renewal of the following licences: Special Effects Operator Class I (Stream A); Special Effects Operator (Stream A Short term); or Special Effects Operator (Stream B Short term)	1,710	1,540	-170	-9.9%
3(b) 4(b) 6(b) 8(b) 9(b)	Assessment of an applicant for the following licences: Special Effects Operator Class I (Stream A); Special Effects Operator Class II (Stream A); Special Effects Operator (Stream B); Special Effects Operator (Stream A Short term); or Special Effects Operator (Stream B Short term)	1,500	1,370	-130	-8.7%
4(a)	Issue or renewal of a Special Effects Operator Class II (Stream A) licence	1,260	1,150	-110	-8.7%

Item specified in the Schedule of ESE(F)R		Existing Fee (\$)	New Fee (\$)	Change	
				(\$)	(%)
5(a) 7(a) 10(a) 11(a)	Issue or renewal of the following licences: Special Effects Assistant (Stream A); Special Effects Assistant (Stream B); Special Effects Assistant (Stream A Short term); or Special Effects Assistant (Stream B Short term)	590	540	-50	-8.5%
5(b) 7(b) 10(b) 11(b)	Assessment of an applicant for the following licences: Special Effects Assistant (Stream A); Special Effects Assistant (Stream B); Special Effects Assistant (Stream A Short term); or Special Effects Assistant (Stream B Short term)	560	505	-55	-9.8%
6(a)	Issue or renewal of a Special Effects Operator (Stream B) licence	1,480	1,370	-110	-7.4%
12	Issue or renewal of pyrotechnic special effects materials supplier licence	7,730	7,050	-680	-8.8%
13	Issue or renewal of non-movable pyrotechnic special effects materials store licence	7,460	6,810	-650	-8.7%
14	Issue or renewal of movable pyrotechnic special effects materials store licence	850	770	-80	-9.4%
15 16 17	Issue of replacement licence or permit Alterations to particulars on licence or permit Issue of certified copy of licence or permit	140	125	-15	-10.7%



## COST COMPUTATION

## Television and Entertainment Licensing Authority

## Entertainment Special Effects (Fees) Regulation

## Cost at 2004 - 05 Prices

	Fee for Discharge Permits	Fee for Conveyance Permits	Fee for SEO* Class I / Short Term Licences	Fee for SEO* Assessment	Fee for SEO* Class II Licences	Fee for SEA^ Licences	Fee for SEA^ Assessment	Fee for SEO* Stream B Licences	Fee for Supplier Licences	Fee for Non-movable Store Licences	Fee for Movable Store Licences	Fee for Alteration / Replacement / Certified Copy
Staff Costs	\$369,677	\$34,333	\$9,160	\$5,770	\$6,776	\$10,838	\$1,259	\$2,311	\$5,930	\$5,719	\$12,242	\$13,813
Departmental Expenses	\$17,811	\$1,799	\$390	\$254	\$305	\$528	\$63	\$101	\$273	\$266	\$586	\$706
Accommodation Costs	\$26,037	\$2,644	\$565	\$370	\$443	\$773	\$92	\$146	\$397	\$388	\$857	\$1,037
Central Administrative Overhead	\$28,200	\$2,619	\$699	\$440	\$517	\$827	\$96	\$176	\$452	\$436	\$934	\$1,054
Total cost	\$441,725	\$41,395	\$10,814	\$6,834	\$8,041	\$12,966	\$1,510	\$2,734	\$7,052	\$6,809	\$14,619	\$16,610
Estimated number of cases	995	127	7	5	7	24	3	2	1	1	19	132
<b>Unit cost</b>	<b>\$444</b>	<b>\$326</b>	<b>\$1,545</b>	<b>\$1,367</b>	<b>\$1,149</b>	<b>\$540</b>	<b>\$503</b>	<b>\$1,367</b>	<b>\$7,052</b>	<b>\$6,809</b>	<b>\$769</b>	<b>\$126</b>
Existing fee	\$490	\$350	\$1,710	\$1,500	\$1,260	\$590	\$560	\$1,480	\$7,730	\$7,460	\$850	\$140
<b>Proposed fee with effect from 10 June 2005</b>	<b>\$445</b>	<b>\$325</b>	<b>\$1,540</b>	<b>\$1,370</b>	<b>\$1,150</b>	<b>\$540</b>	<b>\$505</b>	<b>\$1,370</b>	<b>\$7,050</b>	<b>\$6,810</b>	<b>\$770</b>	<b>\$125</b>

\* SEO – Special Effects Operator

^ SEA – Special Effects Assistant