

For discussion
on 14 November 2005

**Legislative Council Panel on
Information Technology and Broadcasting**

Fee Revision under Film Censorship Regulations

Purpose

This paper seeks Members' views on the proposal to reduce the film censorship fee prescribed in Item 2 of Part I of Schedule 3 to the Film Censorship Regulations (FCR), which is a piece of subsidiary legislation of the Film Censorship Ordinance (FCO) (Cap. 392).

Background

2. The FCO provides that a prescribed fee shall be charged for a film dealt with under section 10 of the FCO where the film is viewed, decided on its suitability for public exhibition and classified, if appropriate, by the censor. This fee is generally referred to as film censorship fee.

3. Item 2 of Part I of Schedule 3 to the FCR prescribes that the fee payable in respect of a film (other than a still film) dealt with under section 10 of the FCO shall be \$72 per minute of running time. This fee has come into effect since January 2002, which reflects the costs of dealing with films under section 10 of the FCO at the 2001-02 price level.

4. In line with the "user pays" principle, it is government policy that fees should in general be set at levels sufficient to recover the full costs of providing the services.

Proposal for Fee Revision

5. Television and Entertainment Licensing Authority (TELA) has recently conducted a costing exercise at the 2005-06 price level. Based on the result, we propose to reduce the fee mentioned in paragraph 3 above by 9.7% from \$72 to \$65 per minute of running time.

6. The proposed reduction is attributable to the savings resulting from TELA's efficiency improvement measures, including deletion of an Executive Officer post. TELA will continue to pursue initiatives that improve efficiency and lower costs.

Implications

7. The proposal for fee revision will lead to a reduction in government revenue of about \$240,600 per annum. The proposal will reduce the costs of film producers who intend to publicly exhibit their films. For example, the censorship fee for a 90-minute feature film will be reduced from \$6,480 to \$5,850.

Consultation

8. We have consulted the film industry, which supports the proposal.

Implementation

9. Subject to Members' views, we plan to table the Film Censorship (Amendment) Regulation setting out the proposed fee at the Legislative Council on 14 December 2005 for negative vetting, with a view to effecting it on 10 February 2006.

Television and Entertainment Licensing Authority
November 2005