

LEGISLATIVE COUNCIL BRIEF

Film Censorship Ordinance (Cap. 392)

FILM CENSORSHIP (FEE REDUCTION) REGULATION 2005

INTRODUCTION

A The Film Censorship (Fee Reduction) Regulation 2005 (the Regulation) at **Annex A** has been made to reduce the film censorship fee prescribed in the Film Censorship Regulations (FCR).

BACKGROUND AND ARGUMENT

2. The Film Censorship Ordinance (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.

B 5. Based on the outcome of a costing exercise conducted by the Television and Entertainment Licensing Authority (TELA) to review the film censorship fee prescribed in the FCR, the Government has proposed to reduce the fee by 9.7% from \$72 to \$65 per minute of running time. The cost computation is at **Annex B**. The reduction is attributable to the

savings resulting from TELA's efficiency improvement measures, including deletion of an Executive Officer post.

THE REGULATION

6. To reduce the film censorship fee prescribed in the FCR, we propose to amend the FCR by the Regulation.

LEGISLATIVE TIMETABLE

7. The legislative timetable is as follows:

Publication in the Gazette	9 December 2005
Tabling at the Legislative Council	14 December 2005
Commencement	10 February 2006

IMPLICATIONS

8. The fee revision will lead to a reduction in government revenue of about \$240,600 per annum. Nevertheless, this will bring down the operating costs of the film producers who intend to publicly exhibit films in Hong Kong, and hence will be positive to the development of the film industry, which is a flagship of Hong Kong's creative industries.

9. The 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 industry, which supports the fee reduction. We also consulted the Legislative Council Panel on Information Technology and Broadcasting on 14 November 2005, which supports the proposal.

PUBLICITY

11. A press release will be issued on 9 December 2005. A spokesman will be made available for answering media enquiries. The film industry will be informed of the fee reduction.

ENQUIRIES

12. Enquiries about this brief can be directed to Mr Ip Lup-ng, Principal Entertainment Standards Control Officer (Film) of TELA, at 2594 5787 or at lup_ng_ip@tela.gov.hk.

**Television and Entertainment Licensing Authority
December 2005**

FILM CENSORSHIP (FEE REDUCTION) REGULATION 2005

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 29 of the Film Censorship Ordinance (Cap. 392))

1. Commencement

This Regulation shall come into operation on 10 February 2006.

2. Fees payable

Schedule 3 to the Film Censorship Regulations (Cap. 392 sub. leg. A) is amended, in Part I, in column 3 of item 2, by repealing “\$72” and substituting “\$65”.

Secretary for Financial Services
and the Treasury

24 November 2005

Explanatory Note

This Regulation amends Schedule 3 to the Film Censorship Regulations (Cap. 392 sub. leg. A) to reduce a fee payable under section 10(8) of the Film Censorship Ordinance (Cap. 392). Under section 10 of the Ordinance, the Film Censorship Authority is required to assign a censor and may at the same time assign at least 2 advisers to deal with a film that the Authority has accepted under section 8 of the Ordinance. The said fee is payable in respect of a film (other than a still film) that is dealt with under the said section 10.

COST COMPUTATION

Television and Entertainment Licensing Authority

Fee for Examination of a Film other than a Still Film (per minute) under Film Censorship Regulations

Costs at 2005 - 06 Prices

Cost Item	Cost/Fee
Staff cost	\$4,729,679
Departmental expense	\$204,383
Accommodation cost	\$770,154
Central administrative overhead	\$360,788
Depreciation	\$514,047
Total cost	\$6,579,051
Estimated minutes of films to be examined	102,044
Unit cost	\$64.47
Existing fee	\$72
Proposed fee with effect from 10 February 2006	\$65