

For information

Legislative Council Panel on Home Affairs

**Revision of Fees and Charges under the
Registration of Local Newspapers Ordinance (Cap. 268)**

PURPOSE

This paper briefs Members on proposals relating to the revision of fees payable under the Registration of Local Newspapers Ordinance (Cap. 268) (RLNO).

BACKGROUND

2. It is the Government's established 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. For fees that are recovering at a rate below the full-cost level, Government-wide general guidelines for fee increases for gradually bringing such fees to the full-cost recovery level are as follows –

- (a) to achieve full-cost recovery within seven years for those fees with existing cost recovery rate of less than 40% of target, through a 20% increase;
- (b) to 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) to 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.

3. To alleviate the financial burden on the public in times of economic difficulty, as an exceptional measure, the Administration froze

most fees and charges in February 1998. In line with the ‘user pays’ principle and as the economy gradually picked up, revision of fees and charges for services resumed in 2005.

4. In March 2005, the Home Affairs Bureau* (HAB) consulted the Legislative Council Panel on Home Affairs on proposals to revise the fees and charges for services under the purview of HAB (including fees under the RLNO) which did not directly affect people’s livelihood or general business activities. Eleven fee items under the RLNO were subsequently revised on 1 December 2005. Despite the fee revision, eight fee items had yet to achieve full cost recovery.

PROPOSALS

5. The fee revision under the RLNO is intended to be a continuous exercise to gradually achieve full-cost recovery. Following the last revision of fees in 2005, the Television and Entertainment Licensing Authority (TELA) carried out a fresh costing exercise at 2008-09 price level to review the costs of services under the RLNO. The outcome of the costing review showed that -

- (a) the cost recovery rate for three fee items (Items 3, 4 and 8 of Annex) is less than 40%;
- (b) four items have a cost recovery rate of between 40% to 70% (Items 1, 5, 9 and 10);
- (c) the cost recovery rate for three items is over 70% (Items 2, 6 and 7); and
- (d) the cost recovery rate for annual renewal of registration of news agency is 99%.

6. In accordance with the guidelines in paragraph 2 above, we propose a fee increase ranging from 8% to 21% for the ten items which are recovering at a rate below the full cost level. Details of the fee revision proposals are at **Annex**. The proposals have relatively little

* Upon re-organisation of the Government Secretariat on 1 July 2007, the Constitutional and Mainland Affairs Bureau took over policy responsibility of newspaper registration.

impact on the daily life of the general public or the running costs of business operators. No fee revision is proposed for annual renewal of registration of news agency which has almost achieved full cost recovery. The existing fee at \$725 will continue to apply.

EFFICIENCY INITIATIVES

7. TELA has been taking measures to reduce or contain costs through implementing efficiency initiatives, computerization and streamlining of work procedures. Such efficiency savings and improvement measures have been factored into the calculation of costs for individual fee items.

FINANCIAL IMPLICATIONS

8. The proposed fee revisions if implemented will bring about an increase of about \$65,400 in revenue per annum.

IMPLEMENTATION PLAN

9. We shall proceed with the necessary amendment of the subsidiary legislation of the RLNO with a view to implementing the fee revision proposals in the fourth quarter of 2008.

Constitutional and Mainland Affairs Bureau
May 2008

Fee Revision Proposals under the Registration of Local Newspapers Ordinance (Cap. 268)

Description of Fee	Existing fee level (\$)	Full cost (at 2008-09 price level)	Existing cost recovery rate	Proposed fee level (\$)	Proposed amount of increase (\$) (% increase*)	Cost recovery level after the proposed fee revision
1. First registration of local newspaper	\$905	\$1,388	65%	\$1,040	\$135 (15%)	75%
2. Annual renewal of registration of local newspaper	\$680	\$827	82%	\$750	\$70 (10%)	91%
3. Change of particulars of local newspaper registration	\$100	\$540	19%	\$120	\$20 (20%)	22%
4. Search and inspect a newspaper register	\$33	\$147	22%	\$40	\$7 (21%)	27%
5. Certified true copy of a newspaper register	\$130	\$262	50%	\$150	\$20 (15%)	57%
6. Annual renewal of newspaper distributor's licence	\$865	\$936	92%	\$935	\$70 (8%)	100%
7. First registration of a news agency	\$905	\$1,074	84%	\$995	\$90 (10%)	93%
8. Change of particulars of a news agency	\$100	\$474	21%	\$120	\$20 (20%)	25%
9. Search and inspect a news agency register	\$32	\$80	40%	\$37	\$5 (16%)	46%
10. Certified true copy of a news agency register	\$125	\$193	65%	\$145	\$20 (16%)	75%

* The proposed percentage increases have been set having regard to the principles for gradually bringing fees to the full-cost recovery level as set out in paragraph 2 of the paper.