

立法會
Legislative Council

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(These minutes have been seen
by the Administration)

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**Subcommittee on Entertainment Special Effects (Fees)
(Amendment) Regulation 2019**

**Minutes of meeting
held on Monday, 20 May 2019, at 4:30 pm
in Conference Room 1 of the Legislative Council Complex**

Members present : Hon MA Fung-kwok, SBS, JP (Chairman)
Dr Hon KWOK Ka-ki
Hon Alvin YEUNG

Public Officers attending : Agenda item II
Commerce and Economic Development Bureau

Mr Victor TSANG
Head of Create Hong Kong

Mr Wellington FUNG
Assistant Head of Create Hong Kong (2)

Miss Drew LAI Sai-ming
Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Creative Industries)B

Mr LAI Kwok-keung
Senior Engineer (Special Effects) of Create Hong
Kong

Department of Justice

Miss Emma WONG
Senior Assistant Law Draftsman (Acting)

Clerk in attendance : Mr Daniel SIN
Chief Council Secretary (1)6

Staff in attendance : Miss Joyce CHAN
Assistant Legal Adviser 1

Ms Mandy LI
Senior Council Secretary (1)6

Mr Patrick CHOI
Council Secretary (1)6

Miss Yolanda CHEUK
Legislative Assistant (1)6

Ms Yvonna HO
Clerical Assistant (1)6

Action

I. Election of Chairman (and Deputy Chairman)

Election of Chairman

Mr MA Fung-kwok, the member who had the highest precedence in the Council among members of the Subcommittee on Entertainment Special Effects (Fees) (Amendment) Regulation 2019 present at the meeting, presided over the election of Chairman of the Subcommittee. He invited nominations for the chairmanship of the Subcommittee.

2. Mr Alvin YEUNG nominated Mr MA Fung-kwok and the nomination was seconded by Dr KWOK Ka-ki. Mr MA Fung-kwok accepted the nomination.

3. There being no other nomination, Mr MA Fung-kwok was declared Chairman of the Subcommittee.

II. Meeting with the Administration

Relevant papers

- (L.N. 58 of 2019 -- Entertainment Special Effects (Fees) (Amendment) Regulation 2019
- Issued by the Commerce and Economic Development Bureau on 10 April 2019 -- Legislative Council Brief
- LC Paper No. LS68/18-19 -- Legal Service Division Report
- LC Paper No. CB(1)1070/18-19(01) -- Marked-up copy of the Entertainment Special Effects (Fees) (Amendment) Regulation 2019 prepared by the Legal Service Division (Restricted to members only)
- LC Paper No. CB(1)1070/18-19(02) -- Background brief prepared by the Legislative Council Secretariat)

4. The Subcommittee deliberated (index of proceedings in the **Appendix**).
5. The Chairman concluded that the Subcommittee had completed scrutiny of the subsidiary legislation and he would report the Subcommittee's deliberation to the House Committee accordingly.

III. Any other business

6. There being no other business, the meeting ended at 5:08 pm.

**Subcommittee on Entertainment Special Effects (Fees)
(Amendment) Regulation 2019**

**Proceedings of meeting
held on Monday, 20 May 2019, at 4:30 pm
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda item I — Election of Chairman (and Deputy Chairman)			
000331 – 000520	Mr MA Fung-kwok Dr KWOK Ka-ki Mr Alvin YEUNG	Election of Chairman	
Agenda item II — Meeting with the Administration			
000521 – 001035	Chairman Administration	Briefing by the Administration [Legislative Council Brief issued by the Commerce and Economic Development Bureau on 10 April 2019]	
001036 – 002227	Chairman Dr KWOK Ka-ki Administration	<p>Dr KWOK Ka-ki pointed out that the Administration's policy was to promote the development of the local film industry, and that resources had been provided to support local productions. As the film industry grew, it was expected that the demand for special effects operators might increase and therefore the number of applications for special effects operator licences would increase. He asked if the licence fees could be reduced as the applicants could share out the fixed cost of processing licence applications.</p> <p>The Administration responded that the majority of the applications for special effects operator licences under the Entertainment Special Effects Ordinance (Cap. 560) were related to stage performances or similar productions rather than films. The growth in the film industry would have little impact on the licensing authority's workload, and the fee levels of licences prescribed in the Entertainment Special Effects (Fees) Regulation (Cap. 560B) were considered appropriate to reflect costs.</p> <p>The Administration added that the levels of fees were arrived at on the basis of the actual workload in carrying out inspections and assessment of</p>	

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		<p>individual applications according to the Government's established mechanism and were considered reasonable.</p> <p>Dr KWOK Ka-ki asked whether film producers might use the Government's subsidies to offset the licence fees.</p> <p>The Administration explained that for films which were fully subsidized under the Film Development Fund, producers could use the funding to fully cover the licence fees which were part of the production costs. For productions partially subsidized, investors would bear part of the overall production cost.</p> <p>Dr KWOK Ka-ki asked whether the amount of revenue generated from the collection of licence fees was sufficient to cover all the staff and administrative costs of handling the applications, given that Create Hong Kong ("CreateHK"), which supported the licensing authority under Cap. 560, had to maintain a team of specialists to process the applications but the number of licence applications handled each year were small.</p> <p>The Administration explained that the licensing team handled a caseload of 2 000 each year for applications for licences and permits under Cap. 560. The said licensing team, comprising six specialist explosives officers, processed such applications and conducted inspections on operations relating to pyrotechnics special effects materials. The licences and permits fees levels were calculated in accordance with the Costing Manual issued by the Treasury to recover the actual staff and administrative costs spent on handling the applications concerned.</p> <p>Dr KWOK Ka-ki asked whether the licences mentioned in Cap. 560 were required to operate pyrotechnic special effects and fireworks displays, as well as the supply and storage of such materials.</p> <p>The Administration explained that the Head of CreateHK was the Entertainment Special Effects Licensing Authority under Cap. 560, and was responsible for licensing matters relating to</p>	

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		<p>pyrotechnic special effects in venues such as local theme parks.</p> <p>The Administration added that fireworks displays were regulated under the Dangerous Goods Ordinance (Cap. 295). Secretary for Home Affairs was the licensing authority for discharges on land, and the Director of Marine was the licensing authority for discharges at sea.</p>	
002228 – 003306	Chairman Administration	<p>The Chairman said that, on the whole, the entertainment sectors concerned had found the proposed revised fee levels moderate and acceptable, apart from the fees of pyrotechnic special effects materials supplier and store licences which were relatively higher, but also noted that such applications were few and far between.</p> <p>The Administration informed members that for pyrotechnic special effects staged in certain venues such as local theme parks, a permit was required for each day's performances. The licensing authority would usually issue a batch of around 30 permits each month subject to the actual number of permits requested by the venue operators; and each permit would be valid for 24 hours, according to the current statutory provisions.</p> <p>The Chairman suggested that the Administration should review and streamline the arrangements so that only one permit would need to be issued for the same performances in the same venue, and for a longer period, say one month or one year.</p> <p>The Administration explained that local theme parks venue operators might not have performances using pyrotechnic special effects every day during the year. It was considered that the current system was more appropriate, i.e. issuing the number of permits required each month to avoid over-charging the operators for the days when no permit was needed.</p> <p>The Chairman also asked whether the fees for pyrotechnic special effects materials supplier licences and non-movable pyrotechnic special effects materials store licences could be reduced.</p>	

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		<p>The Administration responded that, in determining the fee level of pyrotechnic special effects materials supplier licences, considerations would be given to the time and efforts taken to carry out assessment of materials used and their sources of supply, to review test reports, and to examine whether the materials supplied had met the specifications and requirements of the relevant authorities in their respective manufacturing countries. There were only two suppliers in Hong Kong and their licences were subject to renewal every two years.</p> <p>As regards non-movable pyrotechnic special effects materials store licences, the fee to be charged by the Government covered the cost of assessing the security, fire-prevention facilities, the amount of materials stored and the likely impact on the neighbouring areas. There had been no application for such licence so far. Given the considerable amount of staff and administrative efforts involved in the licensing processes, the scope for reduction in the fee levels of these two licences was limited.</p> <p>The Chairman commented that the estimated annual increase in government revenue as a result of the proposed fees revision was expected to be small. As the Administration had a policy to support the film industry and had set aside resources to support film development, the Chairman queried if the Administration would allow the sectors to apply for funding to cover the licence fees.</p> <p>The Administration responded that the "user pays" principle should be observed so that licensees should bear the cost of handling the licence applications. As a matter of fact, the proposed fees revision was moderate and even below inflation, and it would be more relevant for stage performances than film productions.</p>	
003307 – 003824	Chairman Administration Assistant Legal Adviser 1	Section-by-section examination of the subsidiary legislation Entertainment Special Effects (Fees) (Amendment) Regulation 2019	

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003825 – 003835	Chairman Administration	The Chairman concluded that the Subcommittee had completed scrutiny of the subsidiary legislation and he would report the Subcommittee's deliberation to the House Committee accordingly.	
Agenda item III — Any other business			
003836 – 003912		End of meeting	

Council Business Division 1
Legislative Council Secretariat
12 July 2019