

**For information on
14 December 1998**

LEGISLATIVE COUNCIL PANEL ON HOME AFFAIRS

The Proposed Family Entertainment Centres (FECs) and Licensing of Amusement Game Centres (AGCs)

Purpose

The purpose of this paper is to brief Members on the proposed regulatory framework for the licensing of Family Entertainment Centres and the Administration's thinking on a streamlined licensing arrangements for the different types of game/entertainment centres.

Background

2. At present, there are two different types of games and entertainment centres, each is licensed under different legislation and by different authorities. These are –

(a) **Amusement Games Centres (AGCs)**

These are centres for playing video games and are licensed by the Television and Entertainment Licensing Authority (TELA) under the AGCs Ordinance, Cap 435. These centres are subject to various licensing conditions, including restrictions on age of admission, location and business hours. Depending on the nature of the games, licenses are issued under the AGCs Ordinance either as children's centres for persons under 16, or as adult centres for persons aged 16 and above. As regards location, an application for an AGC licence is not normally approved if a proposed centre is within a radius of 100 metres of either an education institution or another AGC (this is known as the 100-metre rule). New AGCs must also be set up in solely commercial buildings; and

(b) Entertainment Machine Centres (EMCs)

These are primarily intended to provide entertainment for children in the form of non-video mechanical games and rides. Some games in these centres also offer prizes, and as such are granted appropriate licences (Amusement with Prizes licences) under the Gambling Ordinance, Cap. 148. These centres are licensed by the two Provisional Municipal Councils (PMCs) under the Places of Public Entertainment Ordinance, Cap 172. They are not subject to the licensing conditions regarding age of entry and location which are applicable to AGCs.

Advent of Family Entertainment Centres

3. In recent years, a new type of entertainment centre – generally known as Family Entertainment Centres (FECs) – have become increasingly popular overseas. FECs are large scale facilities which offer high quality and wholesome entertainment for the enjoyment of families and different age groups. These centres offer video games, mechanical rides, virtual reality electronic games and ancillary facilities, such as children’s play areas, food corners and souvenir shops.

4. In anticipation of a likely demand to establish FECs in Hong Kong, the Administration undertook in the 1996 Policy Commitments to facilitate the development of such centres by developing an appropriate licensing framework. The Administration initially considered feasible to license FECs under the AGCs Ordinance. A proposed licensing framework for FECs (see Annex) was then drawn up in early 1997 for consultation with the trade.

5. Trade representatives, such as AGC operators, other entertainment centre operators and potential FEC operators at first welcomed the development as a means of facilitating the early introduction of FECs in Hong Kong. However, the Licensed Amusement Game Centres Trade Association (LAGA), subsequently raised objections to the proposed scheme. Apart from expressing the concern that the introduction of FECs would increase competition and thus affect the business of AGCs, it also considered that there should be a separate legislation governing the licensing and operation of FECs. Also, FECs should be subject to the same licensing conditions as AGCs in respect of age of

admission and location.

6. The then Provisional Legislative Council Panel on Broadcasting, Culture and Sport (BCS Panel) was briefed in November 1997 on the above development. There was suggestion that Government should simplify and rationalise licensing requirements for all types of entertainment centres.

The Way Forward

7. In view of LAGA's suggestions, and the views of the then BCS Panel, the Administration has re-examined the proposed FEC licensing framework with a view to rationalizing and developing a user friendly licensing arrangement for game/entertainment centres.

8. The Administration has agreed to explore the development of a streamlined and unified regulatory framework for the different types of game and entertainment centre. If this approach is found to be feasible, it would require dedicated new legislation to provide a licensing framework for generic "Entertainment Centres (ECs)". The intention is that a new EC licence could replace the present AGC and EMC licences, and cover licensing of FECs. To meet the different mode of operation of the ECs, different licence conditions would apply depending on the facilities in the centres. For example, the current licence conditions for AGCs such as the "100-m rule" and the requirement that they operate solely in commercial buildings would continue to be licence conditions for ECs which provide video games. Such an arrangement would help meet public concern as to the nuisance caused by video game centres to residential neighbourhoods.

9. The unified regulatory framework could include the EMCs which are currently licensed by the Provisional Municipal Councils. Relevant government departments will discuss and work out arrangements for a unified licensing framework when the implementation plan for the Review of District Organisations is known.

Family Entertainment Centres

Family Entertainment Centres (FECs) are entertainment centres with facilities and games for the enjoyment of families, groups and persons of different age groups.

2. FEC needs to meet the following basic requirements:

- Premises - to be located in a commercial building (or the commercial part of a composite building).
- Minimum floor area of 400 sq. m.
- Operate between 10:00 a.m. and 10:30 p.m. daily.
- Video games should not occupy more than 40% of the total floor area. The contents of the video games should be suitable for children and other age groups.
- At least 60% of the floor area shall be used for at least 3 different types of related facilities such as :
 - Play area for children
 - Redemption games
 - Carnival games
 - Amusement rides
 - Kiddie rides
 - Non-video amusement games e.g. laser games, sports games
 - Snack or beverage corner/restaurants (subject to UC/RC licensing requirements)
 - Souvenir shop.