

Bills Committee on Entertainment Special Effects Bill

**Licence and Permit Fees under
the Entertainment Special Effects Bill**

At the meeting on 12 May 2000, Members made enquiries on the licence and permit fees to be collected under the Entertainment Special Effects Bill (the Bill). We undertook to provide –

- (a) a comparison between the licence and permit fees under the current regulatory regime and the estimated fees under the Bill; and
- (b) a comparison between the permit fees required under the current regulatory regime and such fees under the Bill for producing a typical entertainment special effects scene.

Such comparisons are now set out at Annexes A and B for Members' reference.

2. At the meeting on 12 May 2000, we also undertook to provide a note setting out the implications of requiring only one discharge permit for multiple shows of a theatrical performance if the special effects scene involved is the same. The note is now attached at Annex C for Members' consideration.

3. All the fees under the Bill are to be prescribed by regulations which are subject to negative vetting by the Legislative Council.

Annex A

Comparison between the fees under the current regulatory regime
and the estimated fees under the Entertainment Special Effects Bill

| Licence/Permit | Current Fees for Issue ¹ (\$) | Estimated Fees ² (\$) | | | |
|--|--|----------------------------------|--------------|-------------------------|---|
| | | Issue | Renewal | Assessment ³ | Replacement/ Alteration/ Certified Copy |
| <u>Special Effects Operator Licence</u> | 2,710⁴ | | | | |
| Class I (Stream A) | - | 1,700 | 1,700 | 1,500 | 140 |
| Class II (Stream A) | - | 1,260 | 1,260 | 1,500 | 140 |
| Stream B | - | 1,480 | 1,480 | 1,500 | 140 |
| Short term | - | 1,700 | 1,700 | 1,500 | 140 |
| <u>Special Effects Assistant Licence</u> | | | | | |
| Stream A | - | 590 | 590 | 560 | 140 |
| Stream B | - | 590 | 590 | 560 | 140 |
| Short term | - | 590 | 590 | 560 | 140 |
| <u>Others</u> | | | | | |
| Discharge Permit | 15 – 270⁵ | 500 | - | - | 140 |
| Conveyance Permit for pyrotechnic special effects materials (PSEM) | 195⁶ | 350 | - | - | 140 |
| Non-movable PSEM Store Licence | 10,300⁷ | 7,450 | 7,450 | - | 140 |
| Movable PSEM Store Licence | 10,300 | 850 | 850 | - | 140 |
| PSEM Supplier Licence | - | 7,700 | 7,700 | - | 140 |

Notes

1. **Fees currently applicable to the production of entertainment special effects are prescribed in the Dangerous Goods Ordinance (Cap. 295).**
2. The fees for the licences and permits to be issued under the Entertainment Special Effects Bill are estimates only as they are being examined by the relevant departments.
3. Where appropriate, the Entertainment Special Effects Licensing Authority (the Authority) may require the applicant of a special effects operator licence to undertake a written test, an interview and/or a demonstration so as to assess the applicant's competence. In such cases, the applicant will have to pay an assessment fee. For those special effects operators who have been given provisional recognition by the Commissioner for Television and Entertainment Licensing, when they apply for a special effects operator licence with the same scope of operation as provisionally recognised within 90 days after the entry into force of the new legislation, the Authority will waive the qualifications, work experience and assessment requirements. Hence, they only need to pay the fee for the issue of the licence, but not the assessment fee.
4. At present, the operator-in-charge of a proposed discharge is required to register with the Commissioner of Mines as part of the application for a discharge permit on a case by case basis. A fee is charged for the discharge permit, but there is no separate fee for the registration of the operator-in-charge. For comparison purpose, the current fee for a Mine Blasting Certificate under the Mining Ordinance (Cap. 285), at \$2,170, is included here. The Certificate allows an operator to use explosives for rock blasting and is valid for three years, while the special effects operator licence will be valid for two years except short term licences, which will be valid for a period of up to six months. Short term licences will be issued by the Authority to cater for cases where a licence is needed for only a short period of time, e.g. where an overseas expert is temporarily engaged to produce special effects in Hong Kong.
5. The current fee for discharge at a place of public entertainment (e.g. theatre) is \$270 (19% of the full cost) and that for discharge at any other places is \$15 (1% of the full cost.) It should, however, be noted that, under the current system, a discharge permit is required for each and every discharge and multiple permits are required to cover rehearsals, re-shooting as well as serial discharges in the same scene. Under the new regulatory regime, a discharge permit will cover multiple discharges at the same location for a designated period of time.
6. At present, conveyance by land and by sea of PSEM requires two separate removal permits, and the conveyance of unused PSEM back to the store requires another two removal permits. Under the new regulatory system, a single conveyance permit will cover conveyance of PSEM by land and by sea as well as conveyance of any unused material back to the approved storage location. Also, a conveyance permit will not be required if the quantities of

PSEM involved are below the exempted level.

7. The validity period of store licences under the Dangerous Goods Ordinance is one year, while that of PSEM store licences under the new legislation will be two years.

Annex B

Comparison between the permit fees required under the current regulatory regime and such fees under the Entertainment Special Effects Bill (ESEB) for producing a typical entertainment special effects scene

| | Current regulatory regime | | ESEB | |
|---|---------------------------|------------------|----------------|----------|
| | No. of permits | Fee (\$) | No. of permits | Fee (\$) |
| Conveyance | | | 1 ¹ | 350 |
| - conveyance of PSEM from the Government explosives depot on Lantau Island or N.T. to Hong Kong Island by sea | 1 | 195 | | |
| - conveyance of PSEM to the location of discharge by land | 1 | 195 | | |
| - return of unused PSEM back to the depot by land and by sea | 2 | 2 x 195 = 390 | | |
| Discharge | | | 1 | 500 |
| - rehearsal | 1 | 270 | | |
| - actual shooting | 1 | 270 | | |
| - retake | 1 | 270 | | |
| Total | 7 | 1,590 | 2 | 850 |

1 A conveyance permit will not be required if the quantities of PSEM involved are less than the exempted level to be prescribed in the regulation to be made under the ESEB. Under the current regulatory regime, a removal permit is **always** required irrespective of the quantities of PSEM involved.

**Discharge permit fee
under the Entertainment Special Effects Bill**

We propose that, for both Stream A (films/television programmes) and Stream B (theatrical performances) discharge permits, the permits issued will be valid for up to 24 hours. Under this proposed arrangement (i.e. scenario I in the table below), the permit fee is estimated to be \$500. If only one discharge permit is required for multiple shows of a theatrical performance involving the same special effects scene (i.e. scenario II in the table below), the fee for a Stream B discharge permit is estimated to increase to \$3,125, if full cost recovery is to be achieved.

2. According to our statistics on the discharge permits issued for artistic performances such as ballet and drama in 1998 and 1999 (please see note 1 below), on average each performance required three discharge permits. If the discharge permits to be issued under the Entertainment Special Effects Bill are to be valid for up to 24 hours, on average, the total discharge permit fee required for a normal artistic performance is estimated to be \$1,500. However, if only one discharge permit is required for multiple shows of a theatrical performance involving the same special effects scene, the discharge permit fee required for a normal artistic performance will have to be increased to \$3,125.

| Type of discharge permits | Estimated no. of permits/ applications in a year | Estimated total cost of processing applications (\$) | Scenario I ² | | Scenario II ³ | |
|---------------------------|--|--|--------------------------|---------------------------|-------------------------------|---------------------------|
| | | | Estimated no. of permits | Estimated permit fee (\$) | Estimated no. of applications | Estimated permit fee (\$) |
| Stream A | 600 permits | 300,000 | 600 | 500 | Not applicable | Not applicable |
| Stream B | 40 applications involving 250 permits ¹ | 125,000 | 250 | 500 | 40 | 3,125 |

Notes

- (1) The numbers of applications received and permits issued in a year are estimated based on the numbers of applications received and permits issued in 1998 and 1999 –

| Type of theatrical performances | 1998 | | 1999 | |
|---------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|
| | No. of applications | No. of discharge permits issued | No. of applications | No. of discharge permits issued |
| Artistic performances | 2 | 4 | 2 | 8 |
| Pop concerts, etc. | 33 | 228 | 34 | 196 |
| Total | 35 | 232 | 36 | 204 |

- (2) Scenario I: a discharge permit is valid for up to 24 hours.
- (3) Scenario II: only one discharge permit is required for multiple shows of a theatrical performance, provided that the special effects scene involved is the same.