

For discussion  
on 14 March 2005

**Legislative Council**  
**Panel on Information Technology and Broadcasting**  
**Revision of Fees under**  
**Entertainment Special Effects (Fees) Regulation**

**Purpose**

This paper seeks Members' views on the proposal to reduce the fees prescribed in the Entertainment Special Effects (Fees) Regulation (ESE(F)R), which is a piece of subsidiary legislation of the Entertainment Special Effects Ordinance (ESEO) (Cap. 560).

**Background**

2. The ESEO provides for the regulation of the supply, use, conveyance and storage of special effects materials for and incidental to the production of special effects in film production, entertainment programmes and performances, and other related matters. The Commissioner for Television and Entertainment Licensing is the Entertainment Special Effects Licensing Authority by virtue of section 3 of the ESEO.

3. Section 26(1)(o) of the ESEO stipulates that the Entertainment Special Effects Licensing Authority may, with the approval of the Secretary for Commerce, Industry and Technology, by regulation provide for fees payable in respect of the issue, renewal, certification, replacement or alteration of any licence and permit. The existing fees prescribed in the ESE(F)R have been in effect since March 2001.

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 cost of providing the services.

## **Proposal for Fee Revision**

5. Based on the outcome of a costing exercise recently conducted by the Television and Entertainment Licensing Authority (TELA) to review the fees prescribed in the ESE(F)R, we propose to reduce the fees by 7.1% to 10.7%. The existing and proposed fees are set out at **Annex A**, and their respective costs are at **Annex B**.

A & B

6. The proposed reductions are attributable to the savings resulting from the streamlining of licensing procedures. TELA will continue to pursue initiatives to improve efficiency and lower costs.

## **Implications**

7. The proposal for fee revision will lead to a reduction in government revenue of about \$57,000 per annum. It has no staffing implications. The proposal will bring down the operating costs of the film and entertainment industry slightly, but it has negligible implications for the economy as a whole.

## **Consultation**

8. We have consulted the film and entertainment industry, which supports the proposal.

## **Implementation**

9. Subject to Members' views, we plan to table the Entertainment Special Effects (Fees) (Amendment) Regulation setting out the proposed fees at the Legislative Council on 20 April 2005 for negative vetting, with a view to effecting them on 10 June 2005.

**Television and Entertainment Licensing Authority**

**March 2005**

**Existing and Proposed Fees under  
The Entertainment Special Effects (Fees) Regulations (ESE(F)R)**

Item specified in the Schedule of ESE(F)R		Existing Fee (\$)	Proposed Fee (\$)	Change	
				(\$)	(%)
1	Issue of discharge permit	490	445	-45	-9.2%
2	Issue of conveyance permit	350	325	-25	-7.1%
3(a) 8(a) 9(a)	Issue or renewal of the following licences: Special Effects Operator Class I (Stream A); Special Effects Operator (Stream A Short term); or Special Effects Operator (Stream B Short term)	1,710	1,540	-170	-9.9%
3(b) 4(b) 6(b) 8(b) 9(b)	Assessment of an applicant for the following licences: Special Effects Operator Class I (Stream A); Special Effects Operator Class II (Stream A); Special Effects Operator (Stream B); Special Effects Operator (Stream A Short term); or Special Effects Operator (Stream B Short term)	1,500	1,370	-130	-8.7%
4(a)	Issue or renewal of a Special Effects Operator Class II (Stream A) licence	1,260	1,150	-110	-8.7%

Item specified in the Schedule of ESE(F)R		Existing Fee (\$)	Proposed Fee (\$)	Change	
				(\$)	(%)
5(a) 7(a) 10(a) 11(a)	Issue or renewal of the following licences: Special Effects Assistant (Stream A); Special Effects Assistant (Stream B); Special Effects Assistant (Stream A Short term); or Special Effects Assistant (Stream B Short term)	590	540	-50	-8.5%
5(b) 7(b) 10(b) 11(b)	Assessment of an applicant for the following licences: Special Effects Assistant (Stream A); Special Effects Assistant (Stream B); Special Effects Assistant (Stream A Short term); or Special Effects Assistant (Stream B Short term)	560	505	-55	-9.8%
6(a)	Issue or renewal of a Special Effects Operator (Stream B) licence	1,480	1,370	-110	-7.4%
12	Issue or renewal of pyrotechnic special effects materials supplier licence	7,730	7,050	-680	-8.8%
13	Issue or renewal of non-movable pyrotechnic special effects materials store licence	7,460	6,810	-650	-8.7%
14	Issue or renewal of movable pyrotechnic special effects materials store licence	850	770	-80	-9.4%
15 16 17	Issue of replacement licence or permit Alterations to particulars on licence or permit Issue of certified copy of licence or permit	140	125	-15	-10.7%

**Costing for Fees under the  
Entertainment Special Effects (Fees) Regulations (ESE(F)R)**

**(at 2004-05 prices)**

<b>Item specified in the Schedule of ESE(F)R</b>		<b>Cost (\$)</b>
1	Issue of discharge permit	444
2	Issue of conveyance permit	326
3(a) 8(a) 9(a)	Issue or renewal of the following licences: Special Effects Operator Class I (Stream A); Special Effects Operator (Stream A Short term); or Special Effects Operator (Stream B Short term)	1,545
3(b) 4(b) 6(b) 8(b) 9(b)	Assessment of an applicant for the following licences: Special Effects Operator Class I (Stream A); Special Effects Operator Class II (Stream A); Special Effects Operator (Stream B); Special Effects Operator (Stream A Short term); or Special Effects Operator (Stream B Short term)	1,367
4(a)	Issue or renewal of a Special Effects Operator Class II (Stream A) licence	1,149
5(a) 7(a) 10(a) 11(a)	Issue or renewal of the following licences: Special Effects Assistant (Stream A); Special Effects Assistant (Stream B); Special Effects Assistant (Stream A Short term); or Special Effects Assistant (Stream B Short term)	540
5(b) 7(b) 10(b) 11(b)	Assessment of an applicant for the following licences: Special Effects Assistant (Stream A); Special Effects Assistant (Stream B); Special Effects Assistant (Stream A Short term); or Special Effects Assistant (Stream B Short term)	503

<b>Item specified in the Schedule of ESE(F)R</b>		<b>Cost (\$)</b>
6(a)	Issue or renewal of a Special Effects Operator (Stream B) licence	1,367
12	Issue or renewal of pyrotechnic special effects materials supplier licence	7,052
13	Issue or renewal of non-movable pyrotechnic special effects materials store licence	6,809
14	Issue or renewal of movable pyrotechnic special effects materials store licence	769
15 16 17	Issue of replacement licence or permit; Alterations to particulars on licence or permit; Issue of certified copy of licence or permit	126

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