

For information
on 14 January 2013

**Legislative Council Panel on
Information Technology and Broadcasting**

**Revision of Fees under
Entertainment Special Effects (Fees) Regulation**

PURPOSE

This paper outlines the Administration's proposal to revise 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 Head of Create Hong Kong is the Entertainment Special Effects Licensing Authority by virtue of section 3 of the ESEO.

3. Sections 26(1)(n) and 26(1)(o) of the ESEO stipulate that the Entertainment Special Effects Licensing Authority (ESELA) may, with the approval of the Secretary for Commerce and Economic Development, by regulation provide for fees payable in respect of –

- (a) any examination or assessment that may be required for the issue or alteration of a special effects operator licence; and
- (b) the issue, renewal, certification, replacement or alteration of any licence and permit.

The existing fees prescribed in the ESE(F)R have been in force since June 2005.

PROPOSED FEES REVISION

4. It is government policy that fees charged by the Government for various services should in general be set at levels sufficient to recover the full costs of providing the services. Based on the outcome of a costing exercise conducted by Create Hong Kong to review the fees prescribed in the ESE(F)R, we propose to increase the fees by 5.5% to 8.3% so as to achieve full cost recovery. The existing and proposed fees are set out at **Annex**.

Annex

5. The proposed increase in the fees is mainly attributable to the increase in staff cost despite the streamlining of procedures for processing the licence and permit applications. Create Hong Kong will continue to pursue initiatives to improve efficiency and lower costs.

6. Given that the proposed fee adjustments are not significant in dollar terms, we expect that they will have little impact on business operating costs of the film and entertainment sectors concerned.

FINANCIAL IMPLICATIONS

7. If the proposed fee revision is implemented, the estimated increase in revenue is about \$80,000 per annum. The proposal has no staffing implications.

IMPLEMENTATION TIMETABLE

8. We will gazette and table the Entertainment Special Effects (Fees) (Amendment) Regulation at the Legislative Council in February 2013. We propose that the revision of fees take effect in April 2013 upon completion of the negative vetting period on the subsidiary legislation.

WAY FORWARD

9. Members are invited to note the proposed revision of fees. We will proceed with the necessary legislative amendments to implement the revised fees.

Create Hong Kong
Communications and Technology Branch
Commerce and Economic Development Bureau
January 2013

**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 (\$)	Increase	
				(\$)	(%)
1	Issue of discharge permit	445	475	30	6.7
2	Issue of conveyance permit	325	350	25	7.7
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)	1,540	1,625	85	5.5
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)	1,370	1,465	95	6.9
4(a)	Issue or renewal of a Special Effects Operator Class II (Stream A) licence	1,150	1,230	80	7.0
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	585	45	8.3

Item specified in the Schedule of ESE(F)R		Existing Fee (\$)	Proposed Fee (\$)	Increase	
				(\$)	(%)
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)	505	545	40	7.9
6(a)	Issue or renewal of a Special Effects Operator (Stream B) licence	1,370	1,475	105	7.7
12	Issue or renewal of pyrotechnic special effects materials supplier licence	7,050	7,525	475	6.7
13	Issue or renewal of non-movable pyrotechnic special effects materials store licence	6,810	7,230	420	6.2
14	Issue or renewal of movable pyrotechnic special effects materials store licence	770	820	50	6.5
15 16 17	Issue of replacement licence or permit Alterations to particulars on licence or permit Issue of certified copy of licence or permit	125	135	10	8.0