

LEGISLATIVE COUNCIL BRIEF

ENTERTAINMENT SPECIAL EFFECTS ORDINANCE (Cap. 560)

ENTERTAINMENT SPECIAL EFFECTS (FEES) (AMENDMENT) REGULATION 2013

INTRODUCTION

The Entertainment Special Effects (Fees) (Amendment) Regulation 2013 (the Amendment Regulation) at **Annex A** has been made to increase the fees prescribed in the Entertainment Special Effects (Fees) Regulation (Cap. 560B) (ESE(F)R).

BACKGROUND AND JUSTIFICATIONS

2. The Entertainment Special Effects Ordinance (Cap. 560) (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 (the Authority) by virtue of section 3 of the ESEO.

3. Sections 26(1)(n) and 26(1)(o) of the ESEO stipulate that the Authority 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 and the exemption thereof.

4. It is government policy that in line with the “user pays”

principle, fees should in general be set at levels sufficient to recover the full cost of providing the services. The existing fees prescribed in the ESE(F)R have been in effect since June 2005.

5. Based on the outcome of a costing exercise conducted by Create Hong Kong to review the fees prescribed in the ESE(F)R, the Government has proposed to increase the fees by 5.5% to 8.3% to reflect the costs at 2013-14 prices. The existing and new fees are set out at **Annex B**. The cost computations are at **Annex C**. The increase is mainly attributable to the increase in staff cost despite the streamlining of licensing procedures for processing the licence and permit applications.

THE AMENDMENT REGULATION

6. To increase the fees prescribed in the ESE(F)R, we propose to amend the ESE(F)R by the Entertainment Special Effects (Fees) (Amendment) Regulation 2013.

LEGISLATIVE TIMETABLE

7. The legislative timetable is as follows:

Publication in the Gazette	22 March 2013
Tabling at the Legislative Council	27 March 2013
Commencement	29 May 2013

IMPLICATIONS

8. It is estimated that the fee revision will lead to an increase in government revenue of about \$80,000 per annum. Given that the proposed increase is not significant in dollar terms, we expect that it will have little impact on the business operating costs of the film and entertainment sectors concerned.

9. The Amendment Regulation is in conformity with the Basic

Law, including the provisions concerning human rights. The Amendment Regulation will not affect the binding effect of the ESEO and its subsidiary legislation. It has no civil service, productivity, environmental or sustainability implications.

PUBLIC CONSULTATION

10. We have consulted the Legislative Council Panel on Information Technology and Broadcasting on 14 January 2013, which had no objection to the proposal.

PUBLICITY

11. A press release will be issued on 22 March 2013 on which the Amendment Regulation will be published in the Gazette and a spokesman will be made available for answering media enquiries. The licensees and the companies in the industry will be informed of the fee increase.

ENQUIRIES

12. Enquiries about this brief can be directed to Dr PANG Lok-sing, Senior Engineer (Special Effects) of Create Hong Kong, at 2294-2788 or pangloksing@createhk.gov.hk.

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

Entertainment Special Effects (Fees) (Amendment) Regulation 2013

(Made by the Entertainment Special Effects Licensing Authority under section 26 of the Entertainment Special Effects Ordinance (Cap. 560) with the approval of the Secretary for Commerce and Economic Development)

1. Commencement

This Regulation comes into operation on 29 May 2013.

2. Entertainment Special Effects (Fees) Regulation amended

The Entertainment Special Effects (Fees) Regulation (Cap. 560 sub. leg. B) is amended as set out in section 3.

3. Schedule amended

(1) The Schedule, item 1—

Repeal

“445”

Substitute

“475”.

(2) The Schedule, item 2—

Repeal

“325”

Substitute

“350”.

(3) The Schedule, item 3(a)—

Repeal

“1,540”

Substitute

“1,625”.

(4) The Schedule, item 3(b)—

Repeal

“1,370”

Substitute

“1,465”.

(5) The Schedule, item 4(a)—

Repeal

“1,150”

Substitute

“1,230”.

(6) The Schedule, item 4(b)—

Repeal

“1,370”

Substitute

“1,465”.

(7) The Schedule, item 5(a)—

Repeal

“540”

Substitute

“585”.

(8) The Schedule, item 5(b)—

Repeal

“505”

Substitute

- “545”.
- (9) The Schedule, item 6(a)—
Repeal
“1,370”
Substitute
“1,475”.
- (10) The Schedule, item 6(b)—
Repeal
“1,370”
Substitute
“1,465”.
- (11) The Schedule, item 7(a)—
Repeal
“540”
Substitute
“585”.
- (12) The Schedule, item 7(b)—
Repeal
“505”
Substitute
“545”.
- (13) The Schedule, item 8(a)—
Repeal
“1,540”
Substitute
“1,625”.

- (14) The Schedule, item 8(b)—
Repeal
“1,370”
Substitute
“1,465”.
- (15) The Schedule, item 9(a)—
Repeal
“1,540”
Substitute
“1,625”.
- (16) The Schedule, item 9(b)—
Repeal
“1,370”
Substitute
“1,465”.
- (17) The Schedule, item 10(a)—
Repeal
“540”
Substitute
“585”.
- (18) The Schedule, item 10(b)—
Repeal
“505”
Substitute
“545”.
- (19) The Schedule, item 11(a)—

- Repeal**
"540"
- Substitute**
"585".
- (20) The Schedule, item 11(b)—
Repeal
"505"
- Substitute**
"545".
- (21) The Schedule, item 12—
Repeal
"7,050"
- Substitute**
"7,525".
- (22) The Schedule, item 13—
Repeal
"6,810"
- Substitute**
"7,230".
- (23) The Schedule, item 14—
Repeal
"770"
- Substitute**
"820".
- (24) The Schedule, item 15—
Repeal

- "125"
- Substitute**
"135".
- (25) The Schedule, item 16—
Repeal
"125"
- Substitute**
"135".
- (26) The Schedule, item 17—
Repeal
"125"
- Substitute**
"135".


 Entertainment Special Effects
 Licensing Authority

 March 2013

Explanatory Note

The Schedule to the Entertainment Special Effects (Fees) Regulation (Cap. 560 sub. leg. B) sets out the fees payable in respect of various matters under the Entertainment Special Effects Ordinance (Cap. 560) or the Entertainment Special Effects (General) Regulation (Cap. 560 sub. leg. A). Those matters (and the respective relevant items of that Schedule) are—

- (a) the issue of a discharge permit or conveyance permit (items 1 and 2);
 - (b) the issue or renewal of a special effects operator licence (items 3(a), 4(a), 6(a), 8(a) and 9(a));
 - (c) the issue or renewal of a special effects assistant licence (items 5(a), 7(a), 10(a) and 11(a));
 - (d) the assessment required for the issue or alteration of a special effects operator licence or special effects assistant licence (items 3(b), 4(b), 5(b), 6(b), 7(b), 8(b), 9(b), 10(b) and 11(b));
 - (e) the issue or renewal of a pyrotechnic special effects materials supplier licence or pyrotechnic special effects materials store licence (items 12, 13 and 14); and
 - (f) the replacement, alteration or certification of a licence or permit (items 15, 16 and 17).
2. This Regulation amends that Schedule to increase, with effect from 29 May 2013, the fees payable in respect of those matters.

**Existing and Proposed Fees under
The Entertainment Special Effects (Fees) Regulation (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

COST COMPUTATION

**Create Hong Kong,
Communications and Technology Branch,
Commerce and Economic Development Bureau**

Entertainment Special Effects (Fees) (Amendment) Regulation 2013

Cost at 2013 - 14 Prices

	Fee for Discharge Permits	Fee for Conveyance Permits	Fee for SEO* Class I / Short Term Licences	Fee for SEO* Assessment	Fee for SEO* Class II Licences	Fee for SEA^ Licences	Fee for SEA^ Assessment	Fee for SEO* Stream B Licences	Fee for Supplier Licences	Fee for Non-movable Store Licences	Fee for Movable Store Licences	Fee for Alteration / Replacement / Certified Copy
Staff Costs	\$647,722	\$53,429	\$23,075	\$21,964	\$4,582	\$71,992	\$19,678	\$32,063	\$5,652	\$5,414	\$18,274	\$12,697
Departmental Expenses	\$12,181	\$1,136	\$424	\$391	\$87	\$1,719	\$484	\$585	\$101	\$100	\$365	\$268
Accommodation Costs	\$70,398	\$6,558	\$2,446	\$2,257	\$504	\$9,937	\$2,794	\$3,380	\$584	\$576	\$2,107	\$1,544
Central Administrative Overhead	\$25,917	\$2,138	\$923	\$879	\$183	\$2,880	\$787	\$1,283	\$226	\$217	\$731	\$507
Departmental Administrative Overhead	\$110,124	\$9,083	\$3,923	\$3,734	\$779	\$12,238	\$3,346	\$5,451	\$961	\$920	\$3,107	\$2,159
Total cost	\$866,342	\$72,344	\$30,791	\$29,225	\$6,135	\$98,766	\$27,089	\$42,762	\$7,524	\$7,227	\$24,584	\$17,175
Estimated number of cases	1,829	208	19	20	5	170	50	29	1	0	30	130
Unit cost	\$474	\$348	\$1,621	\$1,461	\$1,227	\$581	\$542	\$1,475	\$7,524	\$7,227[#]	\$819	\$132
Existing fee	\$445	\$325	\$1,540	\$1,370	\$1,150	\$540	\$505	\$1,370	\$7,050	\$6,810	\$770	\$125
Proposed fee with effect from 29 May 2013	\$475	\$350	\$1,625	\$1,465	\$1,230	\$585	\$545	\$1,475	\$7,525	\$7,230	\$820	\$135

* SEO – Special Effects Operator, ^ SEA – Special Effects Assistant

Unit cost calculated by assuming there is one case of non-movable store licence application.