

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Controlling officer: the Commissioner for Television and Entertainment Licensing will account for expenditure under this Head.

Estimate 2002–03	\$120.5m
Establishment ceiling 2002–03 (notional annual mid-point salary value) representing an estimated 194 non-directorate posts at 31 March 2002 reducing by 12 posts to 182 posts at 31 March 2003	\$65.1m
In addition there will be an estimated three directorate posts at 31 March 2002 and at 31 March 2003.	
Capital Account commitment balance	\$70.5m

Controlling Officer's Report

Programmes

Programme (1) Broadcast Monitoring and Regulation	These programmes contribute to Policy Area 17: Information Technology and Broadcasting (Secretary for Information Technology and Broadcasting).
Programme (2) Film Services	
Programme (3) Film Classification and Control of Obscene and Indecent Articles	
Programme (4) Entertainment Licensing	This programme contributes to Policy Area 18: Recreation, Culture, Amenities and Entertainment Licensing (Secretary for Home Affairs).

Detail

Programme (1): Broadcast Monitoring and Regulation

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	36.1	36.1 (0.0%)	32.0 (-11.4%)	33.5 (+4.7%)

Aim

2 The aim is to implement a fair, open and business-friendly regulatory regime which is conducive to the further development of the broadcasting sector; administer all broadcasting licences; secure proper standards of broadcasting with regard to both programmes and advertising; and ensure that broadcasting licensees comply with the provisions of the relevant legislation, licence conditions and codes of practice.

Brief Description

3 The Broadcasting Division is responsible for the regulation of licensed broadcasting services on behalf of the Broadcasting Authority (BA). In accordance with a voluntary agreement between BA and Radio Television Hong Kong (RTHK), the Division also deals with complaints directed at the programmes produced by RTHK. The Division's work involves:

- the provision of secretariat services for the BA and its committees;
- the provision of advice to the BA and the Government in respect of the regulation of broadcasting, review of legislation and grant of domestic free and domestic pay television programme service licences;
- the provision of support to the BA in the enforcement of the competition provisions in the Broadcasting Ordinance;
- the processing of applications for non-domestic and other licensable television programme service licences;
- the carrying out of mid-term review and renewal of broadcasters' licences;
- the drafting and review of codes of practice for television and sound broadcasting services;
- the processing of applications by licensees for exemption from their licence conditions;
- the processing of public complaints about broadcasting;
- solicitation of public opinion on broadcasting standards;
- the promotion of public understanding of broadcasting regulations and the importance of guidance to children in watching television; and

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

- publicising the work of the BA.

4 The performance targets set for 2001 were fully met. The number of complaints received and processed was about 32% lower than the estimate. During the year, we conducted 60 talks to schools, parent-teacher associations and youth centres to promote a better understanding of broadcasting regulations and the importance of parental involvement in television viewing.

5 We assisted the BA in drawing up generic codes of practice on programme standards, advertising standards and technical standards for television programme services; and reviewed the relevant items in the radio codes of practice in the light of the standards adopted for television programmes. We also assisted the BA in finalising competition guidelines, in the light of the views received during the public consultation. The competition guidelines took effect in February 2001.

6 We started work on the renewal of the sound broadcasting licence of Metro Broadcast Corporation Limited (Metro), and the deemed domestic free television programme service licences of Asia Television Limited (ATV) and Television Broadcasts Limited (TVB) in 2001.

7 We assisted the BA in publishing a "Guidance Note for Those Interested in Applying for Other Licensable Television Programme Service Licences (Hotel) in Hong Kong" in March 2001. A sample of the standard Other Licensable Television Programme Service Licence (Hotel) and specified forms relating to licence applications were also issued. Preparation work for the publication of a guidance note for those who are interested in applying for other licensable television programme service licences for niche markets and the relevant sample standard licence are also underway.

- 8 The key performance measures in respect of the monitoring and regulation of broadcasting are:

Targets

	Target Wkg Days	2001 (Actual) Targets achieved	2002 (Plan)
Issue of interim replies relating to complaints about TV and radio broadcasting	6	100%	6
Issue of substantive replies to complainants informing them of the investigation results on their complaints on TV and radio broadcasting	20	98%	20

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
Codes of practice items reviewed	21	70	10
New codes of practice issued	—	3	—
Guidelines issued	2	4	3
Number of licences issued	N.A.#	26	13
Number of licence renewals†	2	3§	7@
Complaints processed	4 266	2 704	2 900
Applications pursuant to licence conditions processed	171	223	240
Broadcasting Authority meetings	12	13	12
Number of Broadcasting Authority Complaints Committee meetings	13	12	12
Number of Broadcasting Authority Codes of Practice Committee meetings	1	2	2
Number of talks and seminars conducted	44	60	40

Not applicable. New indicator arising from the new licensing function of the BA following the enactment of the Broadcasting Ordinance.

† Revised indicator to include the term-end renewal of licences in addition to mid-term reviews.

§ The licences involved are those of ATV, TVB and Metro.

@ The licences involved are those of ATV, TVB, Metro, Commercial Radio (CR) and three Other Licensable Television Programme Service (Hotel) Licences.

Matters Requiring Special Attention in 2002–03

- 9 During 2002–03, the department will:
- assist the BA in implementing the regulatory regime established under the Broadcasting Ordinance;
 - assist the BA in publishing guidance notes for applications for licences for various television programme services, including domestic free, domestic pay and other licensable television programme service for niche markets in Hong Kong;

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

- assist the BA in processing applications and granting licences for the provision of non-domestic and other licensable television programme services;
- assist the BA in the licence renewal exercises for the licences of Metro, ATV, TVB and CR;
- assist the BA in the enforcement of the competition provisions in the Broadcasting Ordinance;
- assist the BA in reviewing the set of generic codes of practice on programme and advertising standards to cater for changing market environment and technology;
- assist the BA in promulgating an accounting manual to facilitate the separation of licensees' accounts for the broadcasting and telecommunications businesses, so as to enhance transparency and guard against cross-subsidisation; and
- conduct a sector-wide seminar and a briefing session to promote understanding of the broadcasting industry and regulatory issues in a technologically-convergent environment.

Programme (2): Film Services

	2000-01 (Actual)	2001-02 (Approved)	2001-02 (Revised)	2002-03 (Estimate)
Financial provision (\$m)	18.3	30.0 (+63.9%)	25.5 (-15.0%)	30.2 (+18.4%)

Aim

- 10 The aim is to facilitate the development of the film industry in Hong Kong.

Brief Description

11 The Film Services Office is responsible for providing support services to the local film industry to develop and maintain its position as the world's major film production centre. Its functions include:

- facilitating film production, in particular location shooting of films in Hong Kong;
- regulating the use of special effects materials for producing entertainment special effects in films, television programmes and theatrical performances;
- maintaining a resource centre on film production services in Hong Kong;
- facilitating the organisation of film festivals/exhibitions and trade shows in Hong Kong and overseas;
- facilitating the publication of trade promotion materials relating to the film industry;
- developing and organising overseas training programmes with the film industry and the tertiary institutions to improve the technical and technological know-how of the film industry workforce; and
- administering a \$100 million Film Development Fund to provide funding support to projects beneficial to the healthy and long term development of the local film industry.

- 12 The key performance measures in respect of film services are:

Targets

	Target Wkg Days	2000 (Actual) Targets achieved	2001 (Actual) Targets achieved	2002 (Plan)
Issue of discharge permits for the use of special effects materials under the Entertainment Special Effects Ordinance				
simple cases.....	3	N.A.#	98%	3
intermediate cases.....	6	N.A.#	98%	6
complicated cases.....	14	N.A.#	98%	14
Issue of conveyance permits under the Entertainment Special Effects Ordinance.....	2	N.A.#	100%	2
Issue of replies to enquiries relating to locations for film shooting.....	4	99.8%	100%	4

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
Number of applications processed under the Entertainment Special Effects Ordinance licence	N.A.#	164	35†
permit	N.A.#	525	525
Number of Film Development Fund applications processed ..	12	24§	30
Number of Film Development Fund projects being monitored	15	30@	40@
Number of complicated applications for location shooting handled	142	281^	250
Number of suggestions on location shooting sites given	130	221^	200
Number of overseas film festivals given assistance	2	7	4+
Number of international conferences attended to promote Hong Kong films and Hong Kong as a location for filming	1	2	2
Number of promotional publications issued	2	10□	7□
Number of applications for use of government land for filming requiring assistance and co-ordination.....	21	43	40
Number of applications for lane closure for filming processed	N.A.Δ	35	30

Not applicable. The Entertainment Special Effects Ordinance commenced in March 2001.

† The licences under the Entertainment Special Effects Ordinance (commenced in March 2001) are valid for two years and therefore a decline in the number of applications is expected in 2002.

§ There has been a steady increase in the number of applications following a publicity campaign to explain the funding procedures and criteria.

@ Projects which last for more than a year will still be monitored in the following years. In anticipation of more applications for the Fund, the number is expected to increase.

^ Owing to the success in previous applications and the effect of publicity campaign in 2001, the number of applications/suggestions have been increasing.

+ The figure is expected to decrease as most overseas offices do not hold annual Hong Kong film festivals, after holding seven film festivals in 2001.

□ The increase is due to the quarterly publishing of newsletter for film production facilitation services starting from February 2001.

Δ The service was introduced in March 2001.

Matters Requiring Special Attention in 2002–03

13 During 2002–03, the department will:

- continue to explore with film industry organisations and tertiary institutions the possibility of developing training programmes to enhance professionalism and encourage the application of digital technology in film productions;
- continue to assist the film industry in exploring means of film financing;
- continue to implement the Entertainment Special Effects Ordinance governing the use of special effects materials for producing special effects in films, television programmes and theatrical performances etc.;
- continue making use of the Film Development Fund to support projects which are beneficial to the healthy and long term development of the local film industry;
- maintain a home page on information and statistics about the local film industry;
- continue to promote Hong Kong films and Hong Kong as a location for filming in international markets and trade shows;
- continue to work with government departments and public organisations to streamline application procedures for location shooting and to provide one-stop service for applications of a more complicated nature;
- co-ordinate the processing of filmmakers' applications for lane closures for location filming; and
- continue to conduct the "Support Filming in Your Community" publicity campaign to raise public awareness of the importance of the film industry to Hong Kong and to enhance their support for filming in their neighbourhood.

Programme (3): Film Classification and Control of Obscene and Indecent Articles

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	25.6	43.0 (+68.0%)	38.4 (-10.7%)	45.2 (+17.7%)

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Aim

14 The aim is to enforce a system of film classification through a censorship scheme which meets the needs and reflects the moral standards of the community; and to control, together with the Police and the Customs and Excise Department, the publication of obscene and indecent articles by enforcing the Control of Obscene and Indecent Articles Ordinance (COIAO).

Brief Description

15 The Film Division is responsible for the examination of films for public exhibition under the 3-tier film classification system and the examination of advertising materials and packagings of Category III films. The work of the Division involves:

- the classification of films for public exhibition and publication;
- the exemption of films from classification;
- the examination of packagings of video tapes and laser discs of Category III films;
- the examination of advertising materials of films;
- the inspection of cinemas to enforce the age restriction for audience admission and other provisions under the Film Censorship Ordinance;
- the inspection of video shops and other retail outlets to regulate the publication of films in the form of video tape and laser disc; and
- maintaining a public advisory panel system to allow public participation in the film classification process.

16 The targets set for 2001 were fully achieved.

17 On the enforcement of COIAO, the department is responsible for:

- regulating the publication and public display of obscene and indecent articles under the COIAO through monitoring of articles published in the media and inspections of newspaper stalls, video and computer shops and other retail outlets;
- submitting dubious articles to the Obscene Articles Tribunal for classification and taking appropriate enforcement action;
- liaising with Internet Service Providers (ISPs) and the Hong Kong Internet Service Providers Association (HKISPA) on the regulation of obscene and indecent materials transmitted through the Internet;
- organising education and publicity programmes to promote public awareness on the provisions of the COIAO;
- processing of complaints relating to the publication of obscene and indecent articles; and
- conducting periodic public opinion survey on the moral standards of reasonable members of the community.

18 In 2001, we launched a major publicity and educational campaign to help the public in dealing with indecent and obscene materials. As part of the campaign activities, we provided funding to a number of voluntary organisations and youth bodies for the launching of 24 projects aimed at providing proper counseling and guidance for children and youths. A contest for the ten most healthy websites was held to increase the public awareness on the proper use of the Internet. An international symposium on the protection of children on-line was also held to facilitate a better understanding by ISPs of how a system of self-regulation is being implemented by the international community. In 2001, we also stepped up our enforcement efforts against the sale of indecent and obscene articles in various retail outlets.

19 The key performance measures in respect of film classification and control of obscene and indecent articles are:

Targets

	Target Wkg Days	2000 (Actual) Targets achieved	2001 (Actual) Targets achieved	2002 (Plan)
<i>Film classification</i>				
Assignment of film viewing sessions for films submitted for classification.....	7	100%	100%	7
Notification to applicants on decisions about film classification.....	8	100%	100%	8
Issue of Certificates of Exemption to applicants	3	100%	100%	3
Issue of Certificates of Packaging to applicants	3	100%	100%	3

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

	Target Wkg Days	2000 (Actual) Targets achieved	2001 (Actual) Targets achieved	2002 (Plan)
Issue of Certificates of Advertising Materials to applicants.....	3	100%	100%	3
<i>COIAO</i>				
Issue of interim replies to complainants.....	7	100%	100%	7
Issue of substantive replies to complainants regarding investigation results on their complaints.....	20	100%	100%	20

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
<i>Film classification</i>			
Films classified	1 068	1 169	1 200
Films exempted.....	1 526	2 880#	3 200
Packagings examined.....	382	218†	220
Advertising materials of films examined	709	725	730
Inspections conducted.....	2 180	2 939	2 800
<i>COIAO</i>			
Articles scrutinised.....	14 617	16 182	18 000
Inspections conducted.....	26 186	59 582§	65 000
Articles referred to the Obscene Articles Tribunal for classification.....	497	1 682§	2 000
Number of COIAO enforcement operations conducted by the department.....	99	482§	500
joint operations with the Police/Customs and Excise Department	21	31	35
Number of obscene and indecent articles seized.....	52 016	577 968§	650 000
Summonses served under the COIAO	229	366§	400
Number of talks and seminars conducted	69	170	200

The increase is due to an increase in multi-media outlets for promotional films.

† The decrease is due to a drop in the number of Category III films examined.

§ The increase is due to the efforts in stepping up the enforcement of COIAO.

Matters Requiring Special Attention in 2002–03

20 During 2002–03, the department will:

- further publicise and enhance public understanding of the film classification system by giving talks to schools, parents, teachers associations or youth centres;
- conduct a public opinion survey on film classification and classification standards;
- enhance public awareness of the provisions of the COIAO through publicity and public education activities with the relevant government departments and community organisations;
- further promote the proper use of the Internet through organising promotional activities for students and the production of publicity materials for distribution to parents, teachers and young persons;
- maintain effective monitoring of the publication and public display of indecent and obscene articles by stepping up inspections on retail outlets; and
- continue to maintain the enforcement momentum against the sale of obscene and indecent articles and mount special operations with other law enforcement agencies to enforce the law.

Programme (4): Entertainment Licensing

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	11.3	11.5 (+1.8%)	11.4 (–0.9%)	11.6 (+1.8%)

Aim

21 The aim is to control, together with the Police, places of entertainment and to register local newspapers.

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Brief Description

22 The Licensing Division is responsible for:

- issuing licences under the Amusement Game Centres Ordinance, the Miscellaneous Licences Ordinance and the Gambling Ordinance to amusement game centres, public dance halls, dancing schools, mahjong/tin kau parlours, tombolas, lotteries, trade promotion competitions and amusements with prizes; and
- registering local newspapers and news agencies and licensing newspaper distributors under the Registration of Local Newspapers Ordinance.

23 Performance targets for the issue of amusement game centre and mahjong/tin kau licences were fully met. Working procedures have been reviewed to reduce processing time. Regular inspections continued to be carried out to monitor performance of amusement game centres.

24 The key performance measures in respect of entertainment licensing and newspapers registration are:

Targets

	Target Weeks	2000 (Actual) Targets achieved	2001 (Actual) Targets achieved	2002 (Plan)
Amusement Game Centre Licence				
issue of licences	18	100%	100%	18
transfer of licences	8	100%	100%	8
renewal of licences	6	99.8%	98.4%	6
Mahjong/Tin Kau Licence				
relocation of establishment	31	100%	100%	31
transfer of licences	15	100%	100%	15
renewal of licences	5	100%	100%	5
Issue of Trade Promotion Competition				
Licences	7†	98.1%	100%	7†
New registration for local newspapers	1	100%	100%	1

† Working days.

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
Licences issued or renewed	2 257	2 391	2 350
Inspections of amusement game centres conducted	2 713	2 787	2 400
Local newspapers and news-related publications registered ...	776	780	780
Distributor licences issued	32	30	30

Matters Requiring Special Attention in 2002–03

25 During 2002–03, the department will:

- continue to assist the Home Affairs Bureau in formulating a licensing framework to facilitate the establishment of family entertainment centres; and
- further rationalise the regulatory framework for various entertainment licences with a view to making them more user and business friendly.

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

ANALYSIS OF FINANCIAL PROVISION

Programme	2000-01 (Actual) (\$m)	2001-02 (Approved) (\$m)	2001-02 (Revised) (\$m)	2002-03 (Estimate) (\$m)
(1) Broadcast Monitoring and Regulation	36.1	36.1	32.0	33.5
(2) Film Services	18.3	30.0	25.5	30.2
(3) Film Classification and Control of Obscene and Indecent Articles.....	25.6	43.0	38.4	45.2
(4) Entertainment Licensing	11.3	11.5	11.4	11.6
	91.3	120.6 (+32.1%)	107.3 (-11.0%)	120.5 (+12.3%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2002-03 is \$1.5 million (4.7%) higher than the revised estimate for 2001-02. This is mainly due to the additional provision for enhancing the licensing functions of the BA, partly offset by the deletion of three posts, including two under the Enhanced Productivity Programme.

Programme (2)

Provision for 2002-03 is \$4.7 million (18.4%) higher than the revised estimate for 2001-02. This is mainly due to the additional provision for meeting the growth in demand for film services and launching publicity campaigns, and higher cashflow requirement for projects financed by the Film Development Fund, partly offset by the net deletion of one post.

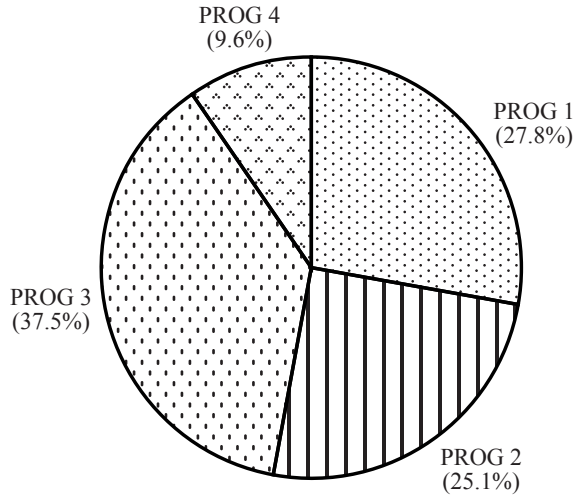
Programme (3)

Provision for 2002-03 is \$6.8 million (17.7%) higher than the revised estimate for 2001-02. This is mainly due to the additional provision for launching publicity campaigns and the full-year provision for posts created in 2001-02, partly offset by the net deletion of eight posts, including two under the Enhanced Productivity Programme.

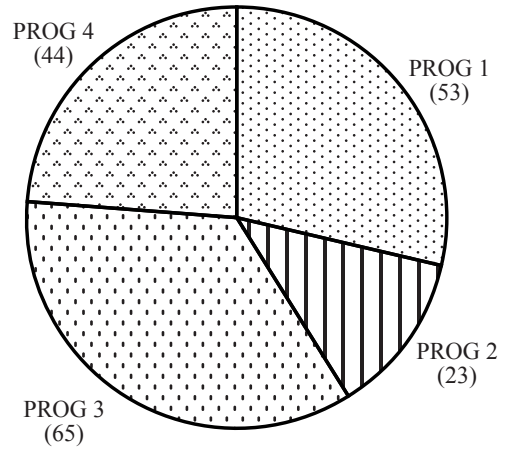
Programme (4)

Provision for 2002-03 is \$0.2 million (1.8%) higher than the revised estimate for 2001-02. This is mainly due to the salary increments for staff.

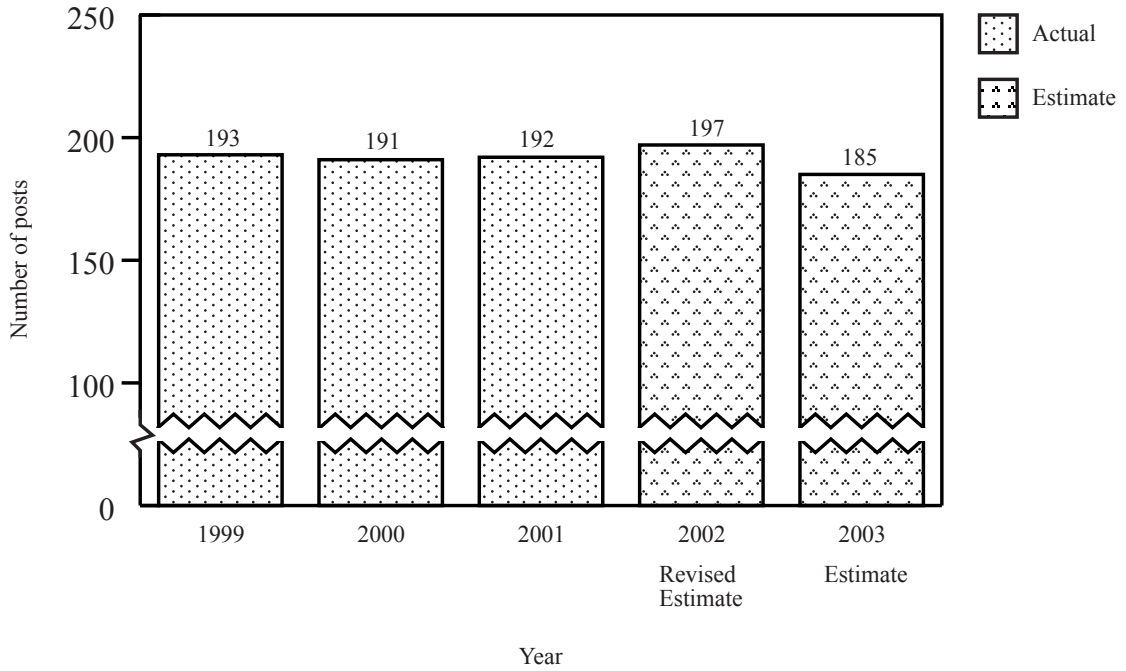
Allocation of provision to programmes (2002-03)



Staff by programme (as at 31 March 2003)



Changes in the size of the establishment (as at 31 March)



Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Sub-head (Code)	Actual expenditure 2000-01	Approved estimate 2001-02	Revised estimate 2001-02	Estimate 2002-03	
	\$'000	\$'000	\$'000	\$'000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries	62,788	67,934	65,587	69,000
002	Allowances	1,397	1,576	1,620	1,513
007	Job-related allowances	34	50	40	44
	Total, Personal Emoluments	<u>64,219</u>	<u>69,560</u>	<u>67,247</u>	<u>70,557</u>
III — Departmental Expenses					
149	General departmental expenses	16,933	25,775	18,747	29,962
	Total, Departmental Expenses	<u>16,933</u>	<u>25,775</u>	<u>18,747</u>	<u>29,962</u>
	Total, Recurrent Account	<u>81,152</u>	<u>95,335</u>	<u>85,994</u>	<u>100,519</u>
Capital Account					
I — Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote)	1,344	500	500	—
	Total, Plant, Equipment and Works	<u>1,344</u>	<u>500</u>	<u>500</u>	<u>—</u>
II — Other Non-Recurrent					
700	General other non-recurrent	8,846	24,800	20,850	20,020
	Total, Other Non-Recurrent	<u>8,846</u>	<u>24,800</u>	<u>20,850</u>	<u>20,020</u>
	Total, Capital Account	<u>10,190</u>	<u>25,300</u>	<u>21,350</u>	<u>20,020</u>
	Total Expenditure	<u><u>91,342</u></u>	<u><u>120,635</u></u>	<u><u>107,344</u></u>	<u><u>120,539</u></u>

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Details of Expenditure by Subhead

The estimate of the amount required in 2002–03 for the salaries and expenses of the Television and Entertainment Licensing Authority is \$120,539,000. This represents an increase of \$13,195,000 over the revised estimate for 2001–02 and of \$29,197,000 over actual expenditure in 2000–01.

Recurrent Account

Personal Emoluments

2 Provision of \$70,557,000 for personal emoluments represents an increase of \$3,310,000 over the revised estimate for 2001–02, and takes into account salary increments for staff, full-year effect of posts filled in 2001–02, partly offset by the deletion of posts, including four under the Enhanced Productivity Programme, in 2002–03.

3 The establishment at 31 March 2002 will be 197 permanent posts. It is expected that a net 12 posts will be deleted in 2002–03.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2002–03, but the notional annual mid-point salary value of all such posts must not exceed \$65,056,000.

5 Provision of \$1,513,000 under *Subhead 002 Allowances* is for standard allowances. The decrease of \$107,000 (6.6%) against the revised estimate for 2001–02 is mainly due to a reduced requirement for acting appointments in 2002–03.

6 Provision of \$44,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances. The increase of \$4,000 (10.0%) over the revised estimate for 2001–02 is mainly due to an increase in requirement for job-related allowances expected in 2002–03.

Departmental Expenses

7 Provision of \$29,962,000 under *Subhead 149 General departmental expenses* represents an increase of \$11,215,000 (59.8%) over the revised estimate for 2001–02. This is mainly due to the increase in the provision for stepping up the enforcement of the COIAO, enhancing the broadcasting licensing and film support services, and launching publicity programmes.

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2001	Revised estimated expenditure for 2001-02	Balance
			\$'000	\$'000	\$'000	\$'000
700		<i>General other non-recurrent</i>				
	008	Film Development Fund	100,000	16,482	14,990	68,528
	013	Community Education Programme on COIAO in 2002-03	2,020	—	—	2,020
		Total.....	102,020	16,482	14,990	70,548