

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

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

Estimate 2010–11	\$79.0m
Establishment ceiling 2010–11 (notional annual mid-point salary value) representing an estimated 121 non-directorate posts as at 31 March 2010 rising by one post to 122 posts as at 31 March 2011 ...	\$43.2m
In addition, there will be an estimated three directorate posts as at 31 March 2010 and as at 31 March 2011.	
Commitment balance	\$0.1m

Controlling Officer's Report

Programmes

<p>Programme (1) Broadcast Monitoring and Regulation</p> <p>Programme (2) Film Classification and Control of Obscene and Indecent Articles</p> <p>Programme (3) Entertainment Licensing</p>	<p>These programmes contribute to Policy Area 17: Information Technology and Broadcasting (Secretary for Commerce and Economic Development).</p> <p>This programme contributes to Policy Area 18: Recreation, Culture, Amenities and Entertainment Licensing (Secretary for Home Affairs and Secretary for Constitutional and Mainland Affairs).</p>
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Detail

Programme (1): Broadcast Monitoring and Regulation

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	32.8	53.2	53.2 (—)	32.0 (–39.8%)
				(or –39.8% on 2009–10 Original)

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 Acting as the executive arm of the Broadcasting Authority (BA), the Broadcasting Division is responsible for the regulation of licensed broadcasting services. Under a voluntary agreement among the BA, the Secretary for Commerce and Economic Development and the Director of Broadcasting, the Division also deals with complaints about programmes produced by Radio Television Hong Kong (RTHK). The Division's work involves:

- providing secretariat services for the BA and its committees;
- supporting the BA to regulate the broadcasting industry and make recommendations to the Chief Executive in Council regarding grant and renewal of both domestic free and domestic pay television programme service licences as well as sound broadcasting licences;
- supporting the BA to enforce the competition provisions in the Broadcasting Ordinance;
- processing applications for non-domestic and other licensable television programme service (OLTVPS) licences, and granting such licences;
- supporting the BA to draft and review codes of practice for television and sound broadcasting services;
- supporting the BA to enforce licence conditions;
- processing public complaints about broadcasting services;

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

- gauging public opinion on broadcasting standards;
 - promoting public understanding of broadcasting regulations and the importance of guidance to children in watching television; and
 - publicising the work of the BA.
- 4 During the year, the Broadcasting Division assisted the BA in:
- processing an application for a sound broadcasting licence;
 - granting three non-domestic television programme service licences and two OLTVPS (Hotel) licences, and renewing one OLTVPS (Hotel) licences;
 - processing applications for changes in the shareholding structures of one domestic free television programme service licensee, two domestic pay television programme service licensees and four non-domestic television programme service licensees;
 - examining the updates on investment plans on digital terrestrial television services submitted by a domestic free television programme service licensee;
 - conducting a comprehensive assessment on the performance of the two domestic free television programme service licensees in the past six years with a view to submitting views and suggestions for consideration by the Chief Executive in Council on ways to improve the licensees' services for the next six years, i.e. from 2010 to 2015;
 - conducting regular reviews of the codes of practice governing television and radio broadcasting standards with a view to striking a balance between protecting viewers' interest and relieving the regulatory burden on the broadcasters. The codes of practice being reviewed in 2009 included the provisions governing programme promotions and announcement of programme changes within programmes etc.; and
 - conducting ten talks to primary and secondary schools and tertiary institutions to promote better understanding of broadcasting regulations and the importance of parental involvement in television viewing.
- 5 The key performance measures in respect of the monitoring and regulation of broadcasting are:

Targets

	Targets	2008 (Actual)	2009 (Actual)	2010 (Plan)
issuing interim replies relating to complaints about TV and radio broadcasting within six working days (%)	100	100	100	100
informing complainants of the results for cases involving no investigation within three weeks (%)	100	97.9	92.8	100
informing complainants of the BA's decision on complaints involving straightforward investigation within eight weeks (%)	100	71.2 ^Ψ	96.2	100
informing complainants of the BA's decision on complaints involving complex investigations within four months (%)	100	96.8	100	100

^Ψ Due to the need to handle two complaint cases involving 2 861 complaints in the first half of 2008, and that a few other complaints required lengthy investigation and advice from other government departments, the time taken in handling straightforward cases exceeded the performance targets.

Indicators

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
codes of practice items reviewed	4	5	4
guidelines issued	2	2	1
licences issued	3	5 [§]	3 ^Δ
licences reviewed [^]	—	2	2 [#]
licence renewals	4	1 [@]	3 [@]
licence applications	—	—	3 ^Ω
complaints (excluding competition) processed	6 264 [‡]	3 938	4 000
competition complaints processed	1	0	9 [¶]
applications pursuant to licence conditions processed	94 ^φ	63	60

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
BA meetings	11	14	12
BA Complaints Committee meetings	8	10	12
BA Codes of Practice Committee meetings.....	1	1	2
talks and seminars conducted	10	10	10

§ The new licences issued in 2009 were the non-domestic television programme service licences of TVB Pay Vision Limited, China Satellite TV Group Company Limited, Power Star Limited and the OLTVPS (Hotel) licences of Master Asia Enterprises Limited and Swire Properties Hotel Management Limited.

Δ It is estimated that two non-domestic television programme service licences and one OLTVPS (Hotel) licence will be issued in 2010.

^ The performance of the two domestic free television programme service licences over the past six years was reviewed in 2009.

The performance of the two sound broadcasting licensees, Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited, will be reviewed in 2010.

@ One OLTVPS (Hotel) licence was renewed in 2009 and it is estimated that two non-domestic television programme service licence and one OLTVPS (Hotel) licence will be renewed in 2010.

Ω Two applications for domestic free television programme service licence were received from City Telecom (H.K.) Limited and i-Cable Communications Limited respectively. PCCW Limited announced on 18 January 2010 that it would submit a domestic free television programme service licence application in the near future.

‡ The increase in the number of complaints processed was mainly due to 2 861 complaints received in the first half of 2008 on two television programmes.

¶ The higher number of competition complaints is due to the processing of nine complaints about alleged abuse of dominant position by Television Broadcasts Limited.

φ The large number of applications in 2008 was due to the unexpected programme change applications in relation to non-designated languages, comprehensive news bulletins, the broadcast of charity appeals and Announcements of Public Interest (API) arising from the snowstorm disaster in the Mainland, the earthquake in Sichuan and the Beijing 2008 Olympic Games, and the new digital terrestrial television services.

Matters Requiring Special Attention in 2010–11

6 During 2010–11, the Broadcasting Division will continue to assist the BA in:

- reviewing the codes of practice in the light of changes in the broadcasting environment and technology;
- monitoring the two domestic free television programme service licensees in implementing their digital terrestrial television services in accordance with their investment plans as approved by the BA;
- conducting a review of the sound broadcasting licences of Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited; and
- processing new application(s) for domestic free television programme service licence.

Programme (2): Film Classification and Control of Obscene and Indecent Articles

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	31.4	32.6	32.7 (+0.3%)	35.2 (+7.6%)
				(or +8.0% on 2009–10 Original)

Aim

7 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

8 The Film Sub-division is responsible for the examination of films for public exhibition under the three-tier film classification system and the examination of advertising materials and packaging of Category III films. The work of the Sub-division involves:

- classifying films for public exhibition and publication and granting exemption from classification;
- examining advertising materials of films, and packaging of video tapes and laser discs of Category III films;

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

- inspecting cinemas to enforce the age restriction for audience admission and other provisions under the Film Censorship Ordinance (FCO);
- inspecting video shops and other retail outlets to regulate the publication of films in the form of video tape and laser disc;
- gauging public opinion on film classification standards; and
- maintaining a panel of advisers to allow public participation in the film classification process.

9 During the year, the Film Sub-division started the preparatory work for the survey on the film classification system to be held in 2010.

10 On the enforcement of the 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 inspecting newspaper stalls, video and computer shops and other retail outlets;
- submitting articles to the Obscene Articles Tribunal (OAT) for classification, taking appropriate enforcement action and prosecution action against violations of the COIAO;
- liaising with Internet service providers and the Hong Kong Internet Service Providers Association on the regulation of obscene and indecent materials transmitted through the Internet;
- organising publicity and public education programmes to promote public awareness of the provisions of the COIAO;
- processing complaints relating to the publication of obscene and indecent articles; and
- conducting periodic public opinion surveys on the moral standards of members of the community.

11 In 2009, the Department sustained the momentum in promoting public awareness of the protection of youth from indecent and obscene materials. Major activities organised are set out below:

- COIAO Subsidising Scheme sponsored voluntary organisations, youth bodies and schools to launch 14 projects aimed at providing proper counselling and guidance for children and youth;
- Meritorious Website Contest was held to promote safe and smart use of the Internet;
- a mock-up news reporting programme was jointly organised with RTHK to help students understand the COIAO;
- regional and district talks and workshops to promote the use of filtering software were conducted, with free filtering software distributed to parent participants;
- 213 schools talks for students/parents on safe and smart use of the Internet were conducted;
- an Internet video contest was held to promote the healthy use of the Internet among youngsters; and
- a student ambassador training scheme was held to recruit students to help promote the COIAO.

12 The Department also continued to enforce the COIAO by taking enforcement action against the publication of indecent and obscene articles. In view of the community's concern about the operation of the COIAO, the Department assisted the Commerce and Economic Development Bureau (CEDB) in reviewing the COIAO.

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

Targets

	Target	2008 (Actual)	2009 (Actual)	2010 (Plan)
<i>Film classification</i>				
assigning film viewing sessions for films submitted for classification within seven working days (%)	100	100	100	100
notifying applicants on decisions about film classification within eight working days (%)	100	100	99.8	100
issuing Certificates of Exemption to applicants within three working days (%)	100	100	100	100
issuing Certificates of Packaging to applicants within two working days (%)	100	100	100	100
issuing Certificates of Advertising Materials to applicants within two working days (%)	100	100	99.5	100

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

	Target	2008 (Actual)	2009 (Actual)	2010 (Plan)
<i>COIAO</i>				
issuing interim replies to complainants within seven working days (%)	100	100	100	100
issuing substantive replies to complainants regarding investigation results on their complaints within 20 working days (%)	100	100	100	100

Indicators

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
<i>Film classification</i>			
films classified.....	1 296	1 370	1 370
films exempted	6 909	7 763 ^λ	7 700
packaging examined	47	98 ^φ	100
advertising materials of films examined	346	575 ^ψ	570
inspections conducted.....	1 391	1 318	1 300
<i>COIAO</i>			
articles scrutinised	339 225	321 250	330 000
inspections conducted.....	72 589	72 563	72 600
articles referred to the OAT for classification	124	351 ^Λ	300
COIAO enforcement operations conducted.....	117	207	180
obscene and indecent articles seized	524	38 562 ^Λ	30 000
talks and seminars conducted	229	213	210

^λ The increase in films exempted was due to the increase in the number of commercials and film trailers for multi-media outlets in 2009.

^φ The increase was due to a rise in the number of Category III films published in 2009.

^ψ The increase was due to a rise in the submission of advertising materials of Category III films.

^Λ The increase is due to a greater number of Class II DVD/VCDs with indecent covers not sealed in completely opaque wrappers seized during joint enforcement operations of the Police and the Department.

Matters Requiring Special Attention in 2010–11

14 During 2010–11, the Department will:

- continue its enforcement of the COIAO;
- step up the promotion of public awareness of the provisions of the COIAO;
- continue to assist the CEDB in reviewing the COIAO and implementing the recommendations of the review; and
- conduct a survey on the film classification system.

Programme (3): Entertainment Licensing

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	11.4	11.9	11.8 (–0.8%)	11.8 (—)

(or –0.8% on
2009–10 Original)

Aim

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

Brief Description

16 The Licensing Sub-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, 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.

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

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

Targets

	Target	2008 (Actual)	2009 (Actual)	2010 (Plan)
amusement game centre licence				
issue of licence within				
18 weeks (%).....	100	100	100	100
transfer of licence within				
eight weeks (%).....	100	92.0	100	100
renewal of licence within				
six weeks (%).....	100	84.0	99.6Φ	100
mahjong/tin kau licence				
relocation of establishment within				
29 weeks (%).....	100	100	80α	100
transfer of licence within				
ten weeks (%).....	100	100	100	100
renewal of licence within				
four weeks (%).....	100	100	100	100
issuing trade promotion competition				
licence within seven working days (%)..	100	100	100	100
new registration for local newspapers				
within seven working days (%)	100	100	100	100

Φ Longer processing time was required for dealing with one renewal case.

α One of the five cases required a longer processing time due to its complicated nature.

Indicators

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
entertainment licences issued or renewed.....	2 801	2 549	2 500
inspections of amusement game centres conducted.....	2 841	2 849	2 800
local newspapers and news-related publications registered.....	744	686	690
newspaper distributor licences issued.....	22	23	23

Matters Requiring Special Attention in 2010–11

18 During 2010–11, the Department will assist the Home Affairs Bureau in further rationalising the regulatory framework for various licences with a view to making them more user and business friendly.

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

ANALYSIS OF FINANCIAL PROVISION

Programme	2008-09 (Actual) (\$m)	2009-10 (Original) (\$m)	2009-10 (Revised) (\$m)	2010-11 (Estimate) (\$m)
(1) Broadcast Monitoring and Regulation.....	32.8	53.2	53.2	32.0
(2) Film Classification and Control of Obscene and Indecent Articles.....	31.4	32.6	32.7	35.2
(3) Entertainment Licensing	11.4	11.9	11.8	11.8
	75.6#	97.7#	97.7# (—)	79.0 (-19.1%)
				(or -19.1% on 2009-10 Original)

For comparison purpose, the figures exclude the relevant provisions for film services which have been transferred to Head 55—Government Secretariat: Commerce and Economic Development Bureau (Communications and Technology Branch) for the establishment of the Create Hong Kong office with effect from 1 June 2009.

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2010-11 is \$21.2 million (39.8%) lower than the revised estimate for 2009-10. This is mainly due to an increased provision in 2009-10 for the adjustment of the advertising royalty paid by Asia Television Limited (ATV) and Television Broadcasts Limited (TVB) and the refund by the Government to ATV and TVB of the excess over the agreed adjusted sum.

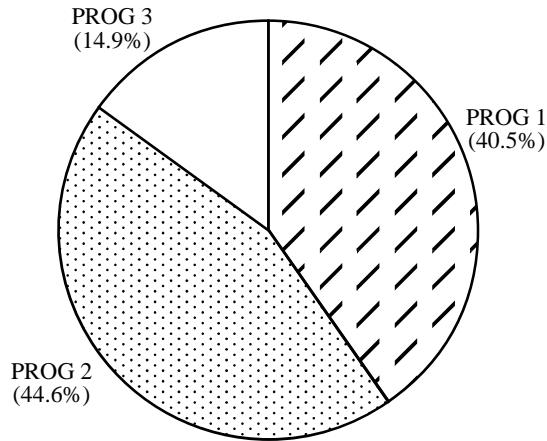
Programme (2)

Provision for 2010-11 is \$2.5 million (7.6%) higher than the revised estimate for 2009-10. This is mainly due to the additional provision for educational and publicity programmes to promote the COIAO and enhancement of facilities for film censorship.

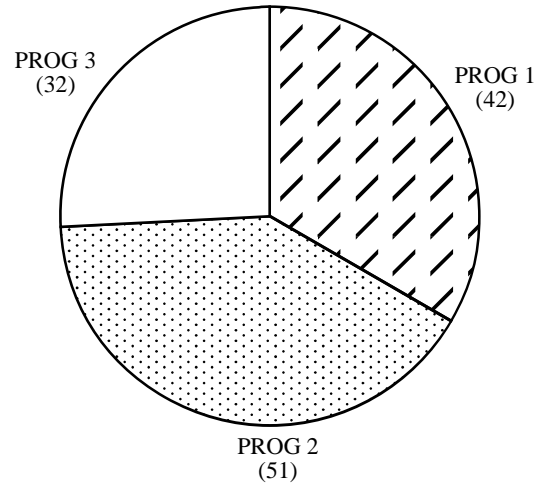
Programme (3)

Provision for 2010-11 is same as the revised estimate for 2009-10. In addition, there will be an increase of one post in 2010-11.

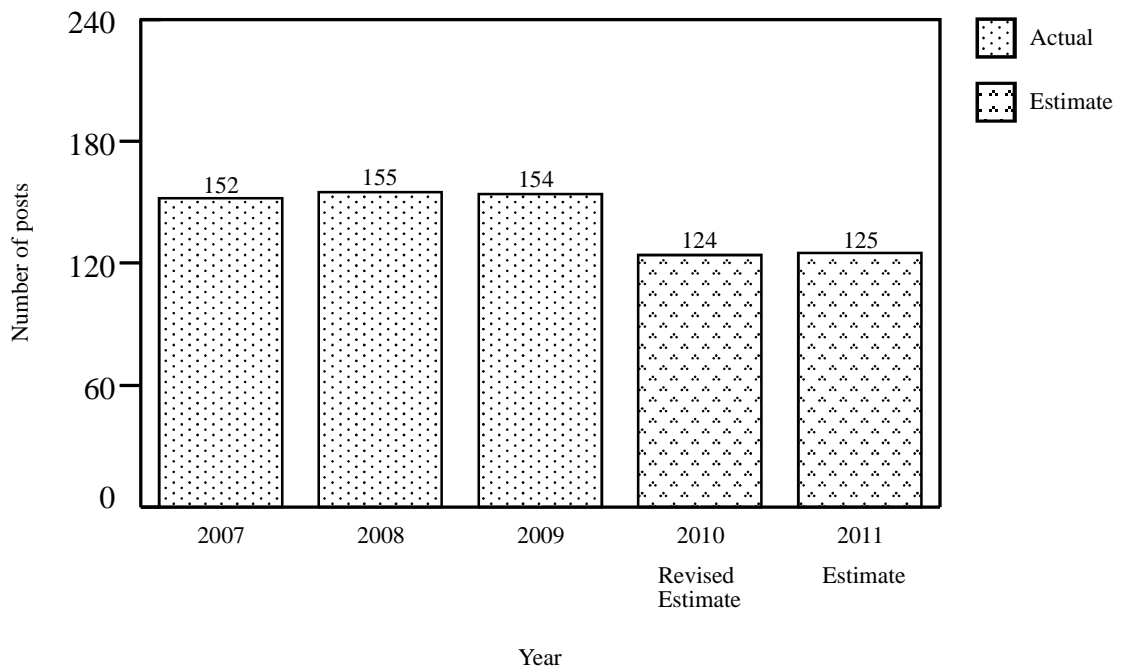
*Allocation of provision
to programmes
(2010-11)*



*Staff by programme
(as at 31 March 2011)*



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



Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Sub-head (Code)	Actual expenditure 2008–09	Approved estimate 2009–10	Revised estimate 2009–10	Estimate 2010–11	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses#	99,651	135,172	103,132	78,831
	Total, Recurrent#	99,651	135,172	103,132	78,831
Non-Recurrent					
700	General non-recurrent#	32,796	55,960	4,394	123
	Total, Non-Recurrent#	32,796	55,960	4,394	123
	Total, Operating Account#	132,447	191,132	107,526	78,954
	Total Expenditure#	132,447	191,132	107,526	78,954

For consistency with previous estimates, the figures for 2008–09 and 2009–10 include relevant provisions for film services which have been transferred to Head 55—Government Secretariat: Commerce and Economic Development Bureau (Communications and Technology Branch) for the establishment of the Create Hong Kong office with effect from 1 June 2009.

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Details of Expenditure by Subhead

The estimate of the amount required in 2010–11 for the salaries and expenses of the Television and Entertainment Licensing Authority is \$78,954,000. This represents a decrease of \$28,572,000 against the revised estimate for 2009–10 and of \$53,493,000 against actual expenditure in 2008–09.

Operating Account

Recurrent

2 Provision of \$78,831,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Television and Entertainment Licensing Authority. The decrease of \$24,301,000 (23.6%) against the revised estimate for 2009–10 is mainly due to an increased provision in 2009–10 for the adjustment of the advertising royalty paid by ATV and TVB and the refund by the Government to ATV and TVB of the excess over the agreed adjusted sum and also the impact of the 2009 pay adjustment.

3 The establishment as at 31 March 2010 will be 124 permanent posts. It is expected that one post will be created in 2010–11. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2010–11, but the notional annual mid-point salary value of all such posts must not exceed \$43,155,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2008–09 (Actual) (\$'000)	2009–10 (Original) (\$'000)	2009–10 (Revised) (\$'000)	2010–11 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	64,279	67,744	53,604	50,210
- Allowances	482	449	478	437
Personnel Related Expenses				
- Mandatory Provident Fund contribution	71	144	154	169
Departmental Expenses				
- General departmental expenses	34,819	66,835	48,896	28,015
	99,651	135,172	103,132	78,831

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2009	Revised estimated expenditure for 2009–10	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
	015	Competition Consultancy Service	3,500	3,148	272	80
	017	Staff Training of Competition Provision.....	839	704	92	43
		Total.....	4,339	3,852	364	123