

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

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

Estimate 2011–12	\$79.0m
Establishment ceiling 2011–12 (notional annual mid-point salary value) representing an estimated 122 non-directorate posts as at 31 March 2011 and as at 31 March 2012.....	\$43.1m
In addition, there will be an estimated three directorate posts as at 31 March 2011 and as at 31 March 2012.	
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>
--	--

Detail

Programme (1): Broadcast Monitoring and Regulation

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	52.7	32.0	33.0 (+3.1%)	33.1 (+0.3%)
				(or +3.4% on 2010–11 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 the Charter of Radio Television Hong Kong (RTHK) signed by the Chief Secretary for Administration, the Director of Broadcasting and the Chairman of BA, the Division also deals with complaints about programmes broadcast by RTHK or supplied by RTHK for broadcasting by licensed broadcasters. The Broadcasting Division's work involves:

- providing secretariat services for the BA and its committees;
- supporting the BA in the regulation of the broadcasting industry and making recommendations to the Chief Executive in Council (CE in C) regarding grant and renewal of both domestic free and domestic pay television programme service licences as well as sound broadcasting licences;
- supporting the BA in the enforcement of the Broadcasting Ordinance (Cap. 562) including the competition provisions and of all license conditions and codes of practice;
- supporting the BA in processing applications for non-domestic and other licensable television programme service (OLTVPS) licences, and granting such licences;
- supporting the BA in drafting and reviewing codes of practice for television and sound broadcasting services;
- 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 three applications for sound broadcasting licence to provide digital audio broadcasting (DAB) service;
- processing three applications for domestic free television programme service licence;
- granting one non-domestic television programme service licence and one OLTVPS (Hotel) licence, and renewing one non-domestic television programme service licence and one OLTVPS (Hotel) licence;
- conducting a comprehensive assessment on the performance of the two domestic free television programme service licensees in the past six years and submitting views and suggestions for consideration by the CE in C on ways to improve the licensees' services for the remaining years of validity of domestic free television programme service licence up to November 2015;
- processing the applications for changes in the shareholding structures of one domestic free television programme service licensee and two non-domestic television programme service licensees;
- conducting a comprehensive assessment on the performance of the two sound broadcasting licensees in the past six years with a view to submitting views and suggestions for consideration by the CE in C on ways to improve the licensees' services for the remaining years of validity of sound broadcasting licence up to August 2016;
- processing competition complaints against the alleged abuse of dominant position by a domestic free television programme service licensee;
- 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 2010 included the provisions governing broadcast of non-programme materials and the types of materials that can be sponsored within television 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	2009 (Actual)	2010 (Actual)	2011 (Plan)
issuing interim replies relating to complaints about television 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	92.8	76.9Ψ	100
informing complainants of the BA's decision on complaints involving straightforward investigation within eight weeks (%)	100	96.2	72.7Ψ	100
informing complainants of the BA's decision on complaints involving complex investigations within four months (%).....	100	100	94.8	100

Ψ Due to the deployment of resources to handle two complaint cases involving 1 223 complaints received in 2010 and since a few other complaints involved complex and lengthy investigation, the average time taken in handling cases involving less complex investigation exceeded the performance targets.

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
codes of practice items reviewed	5	4	4
guidelines issued	2	2	0
licences issued.....	5	2§	2Δ
licences reviewed^	2	2	0
licence renewals	1	2@	1@

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
licence applications.....	—	10 ϕ	2 Ω
complaints (excluding competition) processed.....	3 938	4 412 \ddagger	4 000
competition complaints processed.....	0	17 \natural	1
applications pursuant to licence conditions processed.....	63	70	53
BA meetings.....	14	13	12
BA Complaints Committee meetings.....	10	11	12
BA Codes of Practice Committee meetings.....	1	1	2
BA Working Group meetings.....	—	9	6
talks and seminars conducted.....	10	10	10

§ The new licences issued in 2010 were the non-domestic television programme service licences of APT Satellite TV Development Limited and the OLTVPS (Hotel) licences of Broadband Network Systems Limited.

Δ It is estimated that two non-domestic television programme service licences processed in 2010 will be issued in 2011.

^ The performance of the two domestic free television programme service licensees over the past six years was reviewed by the BA in 2009–10. The BA's recommendations on licence amendments were approved by the CE in C in June 2010. The performance of the two sound broadcasting licensees over the past six years was reviewed in 2010, and recommendations to CE in C are expected to be made in the first half of 2011.

@ One non-domestic television programme service licence and one OLTVPS (Hotel) licence were renewed in 2010. It is estimated that one non-domestic television programme service licence will be renewed in 2011.

ϕ Three applications by Digital Broadcasting Corporation Hong Kong Limited (formerly known as Wave Media Limited), Metro Broadcast Corporation Limited and Phoenix U Radio Limited for sound broadcasting licence to provide DAB service were processed by the BA. The CE in C accepted BA's recommendations to grant approval in principle to the three applicants. Licences are being drafted for submission to CE in C for formal approval. Three applications for domestic free television programme service licence were received from City Telecom (HK) Limited, Fantastic Television Limited and HK Television Entertainment Company Limited respectively in 2010. The BA was processing the applications in accordance with established procedures and planned to submit its recommendations to the CE in C in 2011. Two applications by Asia Broadcast Satellite (HK) Limited and Hong Kong TV International Media Group Limited for a non-domestic television programme service licence, and two applications by MVI Systems Limited and TTV Asia Limited for OLTVPS (Hotel) licences were received in 2010 and being processed by the BA.

Ω It is estimated that one application for non-domestic television programme service licence and one application for OLTVPS (Hotel) licence will be received and processed in 2011.

\ddagger The increase in the number of complaints processed was mainly due to a large number of 1 223 complaints received in 2010 on two complaint cases.

\natural The larger number of competition complaints processed in 2010 is due to the processing of 17 complaints received in 2009 and 2010 against the alleged abuse of dominant position by a domestic free television programme service licensee. The BA completed the preliminary enquiry into the complaints in September 2010 and decided that a full investigation should be conducted. The full investigation is in progress.

Matters Requiring Special Attention in 2011–12

6 During 2011–12, 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 plans as approved by the BA;
- processing the three applications for domestic free television programme service licence;
- conducting the full investigation into the competition complaints against the alleged abuse of dominant position by a domestic free television programme service licensee;
- preparing for the renewal of the domestic pay television programme service licence of TVB Pay Vision Limited; and
- monitoring the launch of DAB service by the three prospective sound broadcasting licensees concerned upon the grant of licences.

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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	32.6	35.2	34.0 (-3.4%)	34.0 (—)

(or -3.4% on
2010–11 Original)

Aim

7 The aim is to enforce a system of film classification according to the Film Censorship Ordinance (Cap. 392) (FCO) 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 (Cap. 390) (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;
- inspecting cinemas to enforce the age restriction for audience admission and other provisions under the 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 conducted the survey on the film classification system, which will be completed in 2011.

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 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, and taking appropriate enforcement 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 2010, 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:

- the COIAO Subsidising Scheme sponsored 12 projects (launched by voluntary organisations, youth bodies and schools) to provide proper counselling and guidance for children and youth;
- the 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;
- 217 schools talks for students/parents on safe and smart use of the Internet to protect the youth from indecent and obscene materials were conducted;
- an Internet video contest was held to promote the healthy use of the Internet among youngsters;
- a student ambassador training scheme was held to recruit students to help promote the COIAO; and
- a school drama tour programme was conducted to promote the COIAO to students of primary and secondary schools.

12 The Department continued to take enforcement action under the COIAO against the publication of indecent and obscene article. The Department also contributed to a review of the COIAO.

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

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

Targets

	Target	2009 (Actual)	2010 (Actual)	2011 (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	99.8	99.7	100
issuing Certificates of Exemption to applicants within three working days (%).....	100	100	99.9	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	99.5	100	100
<i>COIAO</i>				
issuing interim replies to complainants within seven working days (%).....	100	100	99.2	100
issuing substantive replies to complainants regarding investigation results on their complaints within 20 working days (%).....	100	100	99.3	100

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
<i>Film classification</i>			
films classified	1 370	1 571#	1 550
films exempted.....	7 763	8 336λ	8 300
packaging examined.....	98	84φ	80
advertising materials of films examined.....	575	489Ψ	490
inspections conducted	1 318	1 300	1 300
<i>COIAO</i>			
articles scrutinised.....	321 250	330 045	330 000
inspections conducted	72 563	72 612	72 600
articles referred to the OAT for classification.....	351	304	300
COIAO enforcement operations conducted	207	180	180
obscene and indecent articles seized.....	38 562	20 300Λ	20 000
talks and seminars conducted.....	213	217	210

The increase in films classified was due to a rise in the number of films for special film festivals or cultural events in 2010.

λ The increase in films exempted was due to a rise in the number of commercials and film trailers for multi-media outlets in 2010.

φ The decrease was due to a drop in the number of Category III films published in 2010.

Ψ The decrease was due to a drop in the submission of advertising materials of Category III films.

Λ There was a decrease in the number of indecent DVD/VCD seized from retail outlets inspected.

Matters Requiring Special Attention in 2011–12

14 During 2011–12, the Department will:

- continue its enforcement of the FCO and COIAO;
- continue to organise publicity and public education programmes to promote public awareness of the provisions of the COIAO;
- continue to consider, together with the Commerce and Economic Development Bureau, the way forward on the review of the COIAO; and
- conduct a survey on the film classification system.

Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Programme (3): Entertainment Licensing

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	11.7	11.8	11.8 (—)	11.9 (+0.8%)
				(or +0.8% on 2010–11 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 (Cap. 435), the Miscellaneous Licences Ordinance (Cap.114) and the Gambling Ordinance (Cap. 148) 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 (Cap.268).

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

Targets

	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
amusement game centre licence				
issue of licence within				
18 weeks (%)	100	100	100	100
transfer of licence within				
eight weeks (%)	100	100	100	100
renewal of licence within				
six weeks (%).....	100	99.6Φ	100	100
mahjong/tin kau licence				
relocation of establishment within				
29 weeks (%)	100	80α	100	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

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
entertainment licences issued or renewed	2 549	2 801β	2 800
inspections of amusement game centres conducted	2 849	2 751μ	2 760
local newspapers and news-related publications registered	686	688	690
newspaper distributor licences issued	23	22	22

β The increase was mainly due to a rise in the number of trade promotion competition licence applications received.

μ The decrease was due to a drop in the number of amusement game centres.

Matters Requiring Special Attention in 2011–12

18 During 2011–12, 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	2009–10 (Actual) (\$m)	2010–11 (Original) (\$m)	2010–11 (Revised) (\$m)	2011–12 (Estimate) (\$m)
(1) Broadcast Monitoring and Regulation	52.7	32.0	33.0	33.1
(2) Film Classification and Control of Obscene and Indecent Articles	32.6	35.2	34.0	34.0
(3) Entertainment Licensing	11.7	11.8	11.8	11.9
	<u>97.0#</u>	<u>79.0</u>	<u>78.8</u> (-0.3%)	<u>79.0</u> (+0.3%)

**(or same as
2010–11 Original)**

For comparison purpose, the figure excludes 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 2011–12 is comparable with the revised estimate for 2010–11.

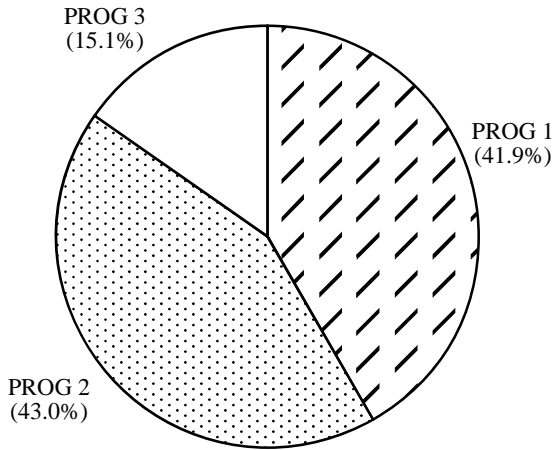
Programme (2)

Provision for 2011–12 is the same as the revised estimate for 2010–11.

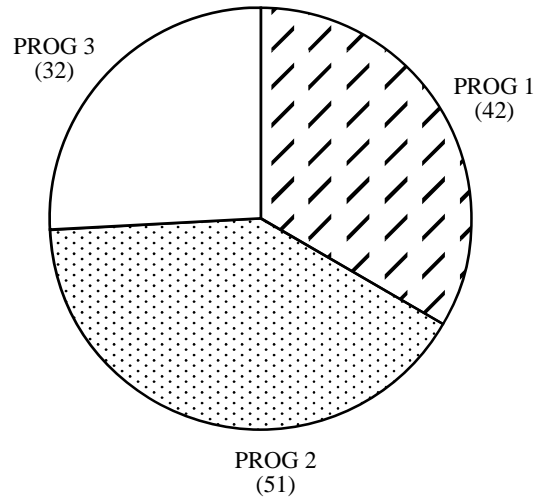
Programme (3)

Provision for 2011–12 is comparable with the revised estimate for 2010–11.

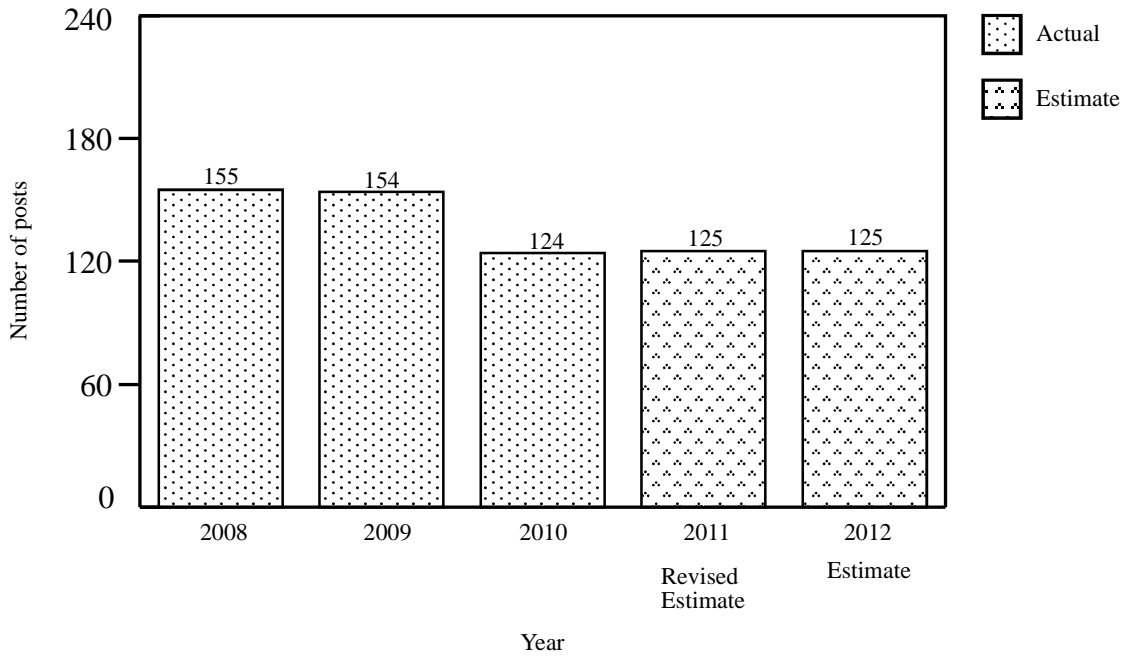
*Allocation of provision
to programmes
(2011-12)*



*Staff by programme
(as at 31 March 2012)*



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



Head 180 — TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

Sub-head (Code)	Actual expenditure 2009–10	Approved estimate 2010–11	Revised estimate 2010–11	Estimate 2011–12	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	102,522#	78,831	78,831	78,844
	Total, Recurrent	102,522#	78,831	78,831	78,844
Non-Recurrent					
700	General non-recurrent	4,393#	123	5	118
	Total, Non-Recurrent	4,393#	123	5	118
	Total, Operating Account.....	106,915#	78,954	78,836	78,962
	Total Expenditure	106,915#	78,954	78,836	78,962

For consistency with previous estimates, the figures for 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 2011–12 for the salaries and expenses of the Television and Entertainment Licensing Authority is \$78,962,000. This represents an increase of \$126,000 over the revised estimate for 2010–11 and a decrease of \$27,953,000 against actual expenditure in 2009–10.

Operating Account

Recurrent

2 Provision of \$78,844,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Television and Entertainment Licensing Authority, which is comparable with the revised estimate for 2010–11.

3 The establishment as at 31 March 2011 will be 125 permanent posts. No change in establishment is expected in 2011–12. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2011–12, but the notional annual mid-point salary value of all such posts must not exceed \$43,096,000.

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

	2009–10 (Actual)# (\$'000)	2010–11 (Original) (\$'000)	2010–11 (Revised) (\$'000)	2011–12 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	53,350	50,210	50,001	51,746
- Allowances	396	437	366	332
Personnel Related Expenses				
- Mandatory Provident Fund contribution	155	169	189	184
- Civil Service Provident Fund contribution	—	—	67	228
Departmental Expenses				
- General departmental expenses.....	48,621	28,015	28,208	26,354
	102,522	78,831	78,831	78,844

For consistency with previous estimates, the figures for 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

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2010	Revised estimated expenditure for 2010-11	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
	015	Competition Consultancy Service.....	3,500	3,420	—	80
	017	Staff Training of Competition Provision	839	796	5	38
		Total	4,339	4,216	5	118