

## MESSAGE

Hong Kong is well-positioned to be one of the world's major broadcasting and film production centres, thanks to our first-class telecommunications infrastructure and talents in the field of programme production, information technology and film-making. To maintain our competitive advantages in the Information Age, we will strive to provide an environment that is conducive to continued investment and innovation in the broadcasting and film industries.



With the full support of the Legislative Council, we have put in place a transparent and business-friendly regulatory regime under the technology-neutral Broadcasting Ordinance. This ground-breaking legislation reflects our policy focus to foster fair and effective competition in the television market and to promote plurality and diversity in television services.

We took a major step this year in liberalising the television market by introducing new domestic pay television services. We expect the new services to bring in over 100 television programme channels. Our efforts do not stop here. We will continue to take advantage of advanced and converging technologies to facilitate the introduction of innovative services for the community.

With the successful conclusion of the technical trials on digital broadcasting, we are in a position to consult the industry and community on the licensing and regulatory policy framework.

On the film services side, we have seen a robust turnaround of the local film industry this year. Rapid development of the Internet business has also substantially helped to boost the industry because of the strong demand for entertainment content. We are also proud of the achievements made by the talents in the local film industry in the international arena. The awards we have won in prestigious international film festivals substantially boosted our status as a leading film production centre and are a clear

demonstration of our capability to produce movies of world-class standard. To better meet the needs of the film industry, the Entertainment Special Effects Ordinance was enacted in June this year to establish a user-friendly regulatory framework for the creation of special effects in film production. We have also stepped up our efforts in facilitating location shooting and the organisation of tailor-made training programmes for the industry. We shall continue to work with the industry in further promoting its healthy and long-term development in the year ahead.

We are fully committed to protecting youths from the harmful effect of obscene and indecent articles. Following the public consultation exercise conducted between April and June this year on the 2000 Review of the Control of Obscene and Indecent Articles Ordinance, we aim to put forward as soon as possible concrete proposals to ensure effective operation of the Ordinance.

A handwritten signature in black ink, appearing to read 'Carrie Yau', written in a cursive style.

( Mrs Carrie Yau )  
Secretary for Information Technology  
and Broadcasting

# **Broadcasting and Film Services**

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## **Policy Objective and Key Result Areas**

# BROADCASTING AND FILM SERVICES

Our Policy Objective is to promote the development of the broadcasting and film industries and enhance Hong Kong's position as a broadcasting and film production centre.

## Overall Targets

Our targets this year in pursuing this Policy Objective are –

- to increase programme choice for TV viewers by increasing the number of television programme channels provided in Hong Kong
- to attract investment in the broadcasting industry through the issue of new television broadcasting licences
- to encourage and facilitate the use of advanced technology in broadcasting services and film production
- to maintain Hong Kong's position as one of the major film producers and film exporters in the world through assistance to and promotion of the development of the film industry

## Progress

In the past year, we have achieved satisfactory results in all the four Key Result Areas (KRAs). These will be further described later in this booklet.

At the Policy Objective level, we had four targets last year.

Our first target was to increase programme choice for TV viewers. In August 1999, we issued a guidance note to invite applications for the provision of new television services. Having carefully evaluated the applications received, we announced in July 2000 the decision to grant new pay TV licences to five successful applicants. The successful applicants have pledged in their proposals to provide more than 149 additional

television programme channels in total. We have also taken a major step forward in facilitating the introduction of broadcasting-satellite service (BSS) in Hong Kong. A licence was issued to a local satellite operator in June 2000 to launch and operate a satellite carrying the BSS capacities.

Our second target was to attract investment in the broadcasting industry. We have implemented the policy decision to relax the existing rules governing ownership by non-residents and cross-media ownership through the enactment of the Broadcasting Ordinance. This will promote diversification in services and stimulate investment. Our regulatory regime allows fixed telecommunications networks to deliver television services and the cable television network to deliver telecommunications services. This will generate new business opportunities and promote cross-fertilisation of the broadcasting and telecommunications markets. To ensure a level playing field for all players in an open and competitive television market, we have incorporated competition provisions in the Broadcasting Ordinance.

Our third target was to encourage and facilitate the use of state-of-the-art technology in broadcasting services and film production. In the past year, we have successfully conducted the technical trials of digital audio broadcasting and digital terrestrial television. In the light of the results of the trials, we will conduct a consultation with the industry and the public and formulate policy for broadcasting services under a digital environment. Meanwhile, we have put in place a technology-neutral regulatory framework under the Broadcasting Ordinance that is sufficiently flexible to embrace new services made possible by advances in technology.

On film production, we continued to encourage film industry organisations and tertiary institutions to organise training programmes in the use of technology in film production for the industry. Since September 1999, we have facilitated the organisation of nine such training programmes.

The fourth target was to maintain Hong Kong's position as one of the major film producers and exporters in the world through assistance to and promotion of the development of the film industry. Between September 1999 and August 2000, we have rendered assistance to 108 location shooting requests of a complicated nature, of which 98% were successful. We also promoted Hong Kong films in overseas film festivals and Hong Kong as a location for filming in international trade shows. In 1999, 145 local films

were produced in Hong Kong, with box office receipts amounting to \$347 million or 40% of the total box office receipts. In 1999, Hong Kong films were screened in eight major international film festivals and events and 14 awards were won.

We also achieved the following progress in our four KRAs.

## **1 Provide a transparent, predictable and proportionate framework of law and regulation**

In 1999, we aimed to facilitate the development of a fair, open and user-friendly regulatory framework which is conducive to the use of advanced technology and encourages investment.

Good progress has been made in this KRA. We successfully completed the technical trials of digital audio broadcasting and digital terrestrial television. In the light of the results of these trials, we are currently formulating policy proposals on broadcasting services under a digital environment for consultation with the industry and the community by the end of this year.

Having conducted a comprehensive review of our television policy in 1998, we announced our policy decision to provide a technology-neutral regulatory framework for the broadcasting industry. In February 2000, we introduced into the Legislative Council the technology-neutral Broadcasting Bill which seeks to provide a regulatory framework sufficiently flexible to embrace new services made possible by advances in technology. The Broadcasting Ordinance was enacted by the Legislative Council in June 2000 and has come into operation since 7 July 2000. The Broadcasting Authority has issued a set of draft generic codes of practice for television programmes and advertising standards under the Broadcasting Ordinance for consultation.

In 1999, we aimed to establish a new regulatory framework governing the use of dangerous goods in the creation of special effects in film and television productions and theatrical performances. We have made good progress in this KRA. The Entertainment Special Effects Ordinance, which set out the new regulatory framework, was enacted by the Legislative Council in June 2000. We are drafting the subsidiary legislation and codes of practice with a view to implementing the new regulatory framework in early 2001.

We issued in April 2000 a consultation paper on the policy proposals arising from the 2000 Review of the Control of Obscene and Indecent Articles Ordinance. Over 3 700 submissions were received during the two-month consultation period. We are formulating the policy proposals having regard to the comments received, after which we will introduce the necessary legislative amendments to take forward the proposals.

## **2 Create an open and competitive market for the broadcasting industry**

In 1999, we aimed to increase competition in the television market and encourage the diversification of broadcasting services. Our target was to increase the number of licensees offering free and pay TV services as well as the number of subscribers for pay television services.

Good progress has been achieved over the past year. A new free-to-air satellite TV channel was launched in June this year by a new satellite TV licensee based in Hong Kong. In July 2000, we announced the decision to issue new pay TV licences to five successful applicants. The new services will bring in an additional 149 pay television programme channels for viewers in Hong Kong. The overall number of subscribers to pay television services increased by about 12.1% in the past year.

We have also set a performance indicator measuring the extent to which the telecommunications and broadcasting networks are opened up and the expansion and penetration between the telecommunications and broadcasting markets. Our target was to consult the industry on interconnection arrangements between the telecommunications and broadcasting networks in 1999-2000. The consultation was completed in July 2000 and the Office of the Telecommunications Authority aims to promulgate a set of principles and technical arrangements on interconnection between the networks in a Telecommunications Authority Statement by end-2000.

To ensure a level playing field for all players in the television market, we have incorporated a set of competition provisions in the Broadcasting Ordinance. These provisions will take effect as soon as possible in the new legislative session upon publication of the guidelines by the Broadcasting Authority on how these provisions will be enforced. The Broadcasting Authority has already issued a set of draft guidelines for consultation with the industry and the community.

### **3 Foster the development of the local broadcasting and film industries**

In 1999, we aimed for positive growth in advertising and subscription revenues received by broadcasting licensees and an increase in the number of programme channels provided in Hong Kong.

Over the past year, advertising and subscription revenues received by broadcasting licensees increased by about 8.9%. We also announced in July 2000 the decision to issue new pay TV licences to five successful applicants. This will bring in an additional 149 pay TV programme channels.

With regard to support to the film industry, some \$20 million has been allocated to support 13 projects under the \$100 million Film Development Fund as of September 2000.

To enhance the professional skills of the local film industry personnel, the Television and Entertainment Licensing Authority (TELA) has facilitated the organisation of 12 training programmes since September 1999, nine of which were on the use of technology for film production. At present, there are 20 companies providing high technology services for film production. Since September 1999, seven local films produced in Hong Kong have made use of digital technology extensively to enhance their special audio-visual effects.

To upgrade the local special effects operators' skills in the use of dangerous goods in the creation of special effects in film and television productions and to facilitate them in obtaining licences under the regulatory framework of the Entertainment Special Effects Ordinance, TELA had organised a series of training courses which were completed in early 2000. TELA is now organising a re-run of the courses to provide more training opportunities.

On the whole, good progress has been made under this KRA.

### **4 Champion the growth of Hong Kong as a broadcasting and film production centre**

In 1999, we aimed at an increase in the number of satellite broadcasters uplinking from Hong Kong and an increase in the number of satellite television channels uplinked from Hong Kong.



A new satellite television uplink and downlink licence was granted in January this year and a new satellite channel was launched in June this year.

To attract investment in the broadcasting industry, we made the policy decision to permit satellite broadcasters to make use of their transmission facilities to carry other companies' broadcast programmes and various telecommunications services. The policy decision has been given effect since January 2000.

Five Hong Kong Film Festivals were organised in Australia, the Mainland and the United States between October 1999 and September 2000 (Sydney, Melbourne and Brisbane in November 1999, He Bei in July 2000 and Washington D.C. in July/August 2000). They together attracted some 28 000 participants. The Film Services Office also promoted Hong Kong as a choice for location filming at the international trade show "Locations 2000" held in Los Angeles in February 2000. The Hong Kong booth won "the most informative booth" award in the show. To encourage infrastructural investment in film production and to sustain Hong Kong's growth as a film production centre, we awarded the tender for a site designated for film production facilities in August 2000. This followed the award of another site designated for film production use in August 1998.

Overall, good progress was made last year.

Progress on each previously announced initiative under the above KRAs is set out in the "Detailed Progress" section of this report.

## Looking Forward

To achieve our overall targets this year, we will undertake the following initiatives and targets under each of the KRAs for the coming year.

# 1

## **Provide a transparent, predictable and proportionate framework of law and regulation**

Information and communications technologies are developing rapidly. Technically, it is now feasible to transmit all forms of information through the various transmission means, i.e., telephone lines, coaxial cables, optical fibre and radio spectrum. Increasingly, the broadcasting, telecommunications and information technology markets are converging at both the technological and service levels. The distinctions between telecommunications, broadcasting and computer networks are becoming blurred.

The global trend is to encourage and promote the common use of the broadcasting and telecommunications networks. The application of digital technology and the roll-out of fibre optic networks have eased the pressure on the limited spectrum available, thus providing opportunities for the introduction of new broadcasting services, e.g. digital terrestrial television.

Consistent with these developments, we have reviewed our regulatory regime and put in place the Broadcasting Ordinance to provide a fair, open and technology-neutral regulatory environment which is conducive to investment, technology application and innovation in the broadcasting industry. Under the new licensing and regulatory regime, four new categories of broadcasting services, namely, domestic free, domestic pay, non-domestic and other licensable television programme services are regulated in accordance with the nature and pervasiveness of the service rather than the technical mode of transmission. We will further consider whether and, if so, how sound broadcasting services should be embraced in the new regulatory regime under the Broadcasting Ordinance.

In embracing the Information Age, we must not neglect the need to uphold public moral standards while safeguarding the freedom of expression and access to information. To this end, we have laid down in the Film Censorship Ordinance a clear legal framework for film classification. We will keep film classification standards under review so as to keep pace with changing community standards.

We will continue to work with all licensed broadcasters to ensure that broadcast materials comply with the standards set out in the relevant Codes of Practice.

As regards publications, we will continue to promote self-regulation by publishers and maintain the voluntary submission system for classification. We conducted a public consultation exercise between April and June this year on policy measures to strengthen protection of youths from obscene and indecent materials. We will introduce legislative amendments to the Control of Obscene and Indecent Articles Ordinance (COIAO) in 2001 to implement the policy proposals. We will at the same time also intensify our enforcement work under the Ordinance and strengthen the related publicity and public education activities.

Concerning the use of dangerous goods in the creation of special effects in film and television productions and theatrical performances, we are committed to putting in place a new regulatory framework that will satisfy both the operational needs of the entertainment industry and the objective to protect public safety. In this regard, the Entertainment Special Effects Ordinance, which set out the new regulatory framework, was enacted by the Legislative Council in June 2000. We will continue to work with the industry in the implementation of the new regulatory framework to ensure that it is both user-friendly and effective in protecting public safety.

We will assess our performance in respect of this KRA against the following indicators –

### **Broadcasting**

- The further development and implementation of a fair, open and user-friendly regulatory framework which is conducive to the use of advanced technology and encourages investment. Our targets are as follows. First, to issue the necessary guidelines and codes of practice setting out the licensing and regulatory procedures and standards. Second, to conduct consultations in 2000 and to formulate the policy on broadcasting under a digital environment in 2001.

### **Film Services**

- A new regulatory regime governing the use of dangerous goods in the production of special effects which meets the needs of the industry and Government's policy objectives on public safety and security. Our target is to implement the new regulatory regime in 2001.

- A user and business-friendly Film Censorship Ordinance. Our targets are as follows. First, to target at fewer complaints received in respect of the film censorship system. Second, to target at fewer requests for review of the decision of the Film Censorship Authority or a film censor.
- A COIAO with up-to-date regulatory measures. Our target is to introduce legislative amendments in 2001 to implement policy proposals arising from the 2000 Review of the COIAO.

We will pursue the following initiatives and targets to deliver results in this area –

Initiative *	Target
To formulate a licensing and regulatory framework for broadcasting services under a digital environment  <i>(Information Technology and Broadcasting Bureau (ITBB))</i>	To draw up the new framework in 2001
To bring the regulatory framework for sound broadcasting services under the technology-neutral Broadcasting Ordinance  <i>(ITBB)</i>	To commence consultation by end-2000 with a view to introducing legislative amendments in the 2001-2002 legislative session
To implement the new regulatory framework governing the use of dangerous goods to create special effects in film and television productions and theatrical performances  <i>(ITBB/Television and Entertainment Licensing Authority (TELA))</i>	<ul style="list-style-type: none"> <li>● To introduce the subsidiary legislation to the Entertainment Special Effects Ordinance in 2000 with a view to implementing the new regulatory framework under the Ordinance in 2001</li> <li>● To issue codes of practice under the Entertainment Special Effects Ordinance to provide practical guidance to practitioners in 2001</li> </ul>

\* the bracketed information denotes the agency with lead responsibility for the initiative

Initiative	Target
<p>To strengthen protection of youths from obscene and indecent materials <i>(ITBB/TELA)</i></p>	<ul style="list-style-type: none"> <li>● To introduce legislative amendments in 2001 to implement the policy proposals arising from the 2000 Review of the COIAO</li> <li>● To conduct a public opinion survey in 2000-2001 on the classification standards generally accepted by the community</li> </ul>
<p>To step up public education and enforcement of the COIAO <i>(TELA)</i></p>	<ul style="list-style-type: none"> <li>● To produce Announcements in the Public Interest for broadcast on television and other publicity materials in 2001</li> <li>● To increase the number of talks and seminars for parents, students and youth organisations to 70 in 2001</li> <li>● To co-organise with non-governmental organisations in 2001 at least three major events for students to enhance their awareness of the harmful effects of obscene and indecent materials</li> <li>● To increase the number of TELA inspections at retail outlets to 45 000 in 2001</li> </ul>

In line with the world trend to deregulate the telecommunications and broadcasting industries, we are committed to opening up the television market to more competition. We have introduced a package of measures to liberalise the satellite broadcasting market. We have awarded the world's first commercial-scale video-on-demand (VOD) licence. We have also announced the decision to issue new pay TV licences to five successful applicants. We will continue to take advantage of advanced and converging technologies to reduce technical constraints to broadcasters and increase transmission capacity in order to facilitate the provision of better quality multi-media services to the community.

We believe that an open and competitive television market will attract investment, encourage innovation and bring wider choice to the public. We will continue to promote the growth of the industry by providing a business-friendly operating environment, minimising entry barriers, safeguarding fair competition and ensuring reasonable access by consumers to new services.

We will assess our performance in respect of this KRA against the following indicators –

**Broadcasting**

- The increase in competition in the television market and the diversification of broadcasting services for the community. Our targets are as follows. First, to increase the number of television programme service licensees. Second, to issue licences for services catering for niche or small-scale audience markets. Third, to promulgate the guidelines on competition provisions for television programme service licensees.
- The extent to which the telecommunications and broadcasting networks are opened up and the expansion and penetration between the telecommunications and broadcasting services markets. Our target is to promote an increase in the number of operators providing telecommunications and broadcasting services on the same platform.

We will pursue the following initiatives and targets to deliver results in this area –

<b>Initiative</b>	<b>Target</b>
To introduce new television services targeting at niche or small-scale markets <i>(Television and Entertainment Licensing Authority (TELA))</i>	To issue a guidance note on applications for other licensable television programme service licences in early 2001
To promulgate competition guidelines for the television programme service licensees <i>(TELA)</i>	To issue the guidelines after conducting a consultation with the industry in end-2000

The broadcasting and film industries are important both to our economy and to the development of Hong Kong's cultural identity. We should help to foster their further development through user-friendly regulation and appropriate support.

To lower the costs of the service providers in an increasingly open and competitive market, we have abolished the charging of royalties on subscription and advertising revenue received by TV broadcasting licensees.

To help the local film industry, we will continue to provide funding support for investment in human talent and the use of advanced technology through the Film Development Fund established in January 1999. We will continue to introduce measures to make Hong Kong a more user-friendly place for film production, and work with government departments and public organisations to shorten and simplify application procedures for location shooting.

We will assess our performance in respect of this KRA against the following indicators –

**Broadcasting**

- The total number of subscribers to pay TV services. Our target is to promote the growth of subscribers in the coming year.
- The number of programme channels provided in Hong Kong. Our target is to increase the number of programme channels.

**Film Services**

- Appropriate funding support for the film industry. Our target is to provide more funding support under the Film Development Fund to projects which are beneficial to the development of the film industry.
- Appropriate assistance to the film industry in location shooting. Our target is to achieve a 90% success rate in dealing with location shooting requests of a more complicated nature.



We will pursue the following initiatives and targets to deliver results in this area –

Initiative	Target
<p>To implement full-cost licence fees for new categories of licences under the Broadcasting Ordinance</p> <p><i>(Television and Entertainment Licensing Authority (TELA))</i></p>	<p>To prescribe the licence fees by early 2001</p>
<p>To standardise the licence conditions for new categories of licences under the Broadcasting Ordinance</p> <p><i>(Information Technology and Broadcasting Bureau/TELA)</i></p>	<p>To formulate general conditions for the four categories of licences under the Broadcasting Ordinance in 2001</p>
<p>To commission independent producers to produce some of RTHK’s television and radio programmes on a trial basis</p> <p><i>(Radio Television Hong Kong)</i></p>	<p>To commence broadcasting the commissioned programmes in early 2001</p>
<p>To explore further means to assist the film industry in film financing</p> <p><i>(TELA)</i></p>	<p>To encourage the provision of training programmes on completion bond, documentation and scheduling by relevant organisations to enhance the transparency of film production and to provide more assurance to financial institutions in providing film financing</p>
<p>To facilitate location shooting in Hong Kong</p> <p><i>(TELA)</i></p>	<p>To draw up and promulgate guidelines to facilitate the film industry in applying for location shooting in public places</p>

Hong Kong has the potential to grow into one of the world's major film and broadcasting centres. This would attract international expertise and investment to Hong Kong, as well as help to showcase our own local talent. To champion the growth of Hong Kong as a broadcasting centre, we have relaxed and simplified existing rules governing ownership by non-residents and cross-media ownership in order to promote diversification in services, attract investment and encourage the participation of international enterprises in the local market. We have also permitted satellite broadcasting licensees to make use of their transmission facilities to carry other companies' broadcast programmes and various telecommunications services with effect from January 2000.

We have been promoting and will continue to promote Hong Kong films in international markets and Hong Kong as a location for filming.

We will assess our performance in respect of this KRA against the following indicators –

**Broadcasting**

- The number of satellite broadcasters uplinking their broadcasting services from Hong Kong. Our target is to increase the number of satellite broadcasters uplinking from Hong Kong.
- The number of satellite television channels uplinked from Hong Kong. Our target is to increase the number of satellite television channels uplinked from Hong Kong.

**Film Services**

- The number of overseas films with scenes shot in Hong Kong. Our target is to have more films with scenes shot here.
- The number of film co-production projects between Hong Kong and other places. Our target is to have more co-production projects.
- The number of international film festivals and events attended by the Hong Kong film industry. Our target is to increase the attendance at international film festivals and events.

We will pursue the following initiatives and targets to deliver results in this area –

<b>Initiative</b>	<b>Target</b>
<p>To attract overseas broadcasters to uplink television service from Hong Kong and to provide television service in Hong Kong</p> <p><i>(Television and Entertainment Licensing Authority (TELA))</i></p>	<p>To issue a guidance note on applications for non-domestic television programme service licences in early 2001</p>
<p>To encourage location shooting in Hong Kong by overseas film-makers</p> <p><i>(TELA)</i></p>	<p>To promote Hong Kong as an attractive location for filming in international trade shows</p>
<p>To promote Hong Kong films overseas</p> <p><i>(TELA)</i></p>	<p>To provide financial support for the film industry to participate in major international film festivals and markets</p>



# **Broadcasting and Film Services**

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## **Detailed Progress**

# 1

## Provide a transparent, predictable and proportionate framework of law and regulation

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative *	Target #	Present Position +
To conduct consultations on the regulatory framework for the introduction of digital audio broadcasting (DAB) and develop an appropriate framework <i>(Information Technology and Broadcasting Bureau (ITBB))</i>	To complete the consultation in 2000, with a view to developing a regulatory framework for DAB by end-2000 <i>(1999, 1998 and 1997)</i>	Technical trials and the consultancy study on DAB have been completed. Policy proposals are being formulated for consultation by end-2000. <i>(Action in Progress: Under Review)</i>
To explore the introduction of digital terrestrial television (DTT) services in Hong Kong <i>(ITBB)</i>	On satisfactory completion of DTT technical trials, to determine in 2000 a DTT standard for adoption <i>(1999)</i>	Technical trials on DTT completed. Policy proposals on DTT, including the standard to be adopted, will be formulated for consultation by end-2000. <i>(Action in Progress: On Schedule)</i>

\* the bracketed information denotes the agency with lead responsibility for the initiative

# the bracketed information denotes the year in which the target was set

+ the bracketed information denotes the status of the target

Initiative	Target	Present Position
<p>To develop a licensing framework for direct-to-home (DTH) services using the four high-power broadcasting-satellite service (BSS) channels assigned by the International Telecommunication Union to Hong Kong</p> <p><i>(ITBB/Office of the Telecommunications Authority)</i></p>	<p>To draw up the licensing framework in 2000</p> <p><i>(1999)</i></p>	<p>A telecommunications licence was issued to a satellite operator in 2000 to launch and operate a satellite carrying the capacities for the four BSS channels. The satellite is scheduled to be launched in 2002. We plan to invite applications for the provision of BSS making use of the capacities on board the satellite by early 2001.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To review the current codes of practice for television programmes and advertising with a view to bringing them in line with the new broadcasting policy</p> <p><i>(Television and Entertainment Licensing Authority (TELA))</i></p>	<ul style="list-style-type: none"> <li>● To issue generic codes of practice for television programmes and advertising upon the enactment of the Broadcasting Bill</li> </ul> <p><i>(1999)</i></p>	<ul style="list-style-type: none"> <li>● The Broadcasting Ordinance commenced in July 2000. The Broadcasting Authority plans to issue the generic codes of practice in end-2000 after consultation with the industry and the community.</li> </ul> <p><i>(Action in Progress: On Schedule)</i></p>

Initiative	Target	Present Position
	<ul style="list-style-type: none"> <li>● To complete the review by 1999 (1998)</li> </ul>	<ul style="list-style-type: none"> <li>● Following the completion of the 1998 Review of Television Policy in December 1998, a policy decision was made to invite the Broadcasting Authority to revise the current codes of practice with a view to issuing a set of generic codes for television programmes and advertising standards and specifying which parts of the codes are applicable to all or a certain category of licences.</li> </ul> <p><i>(Action Completed)</i></p>
<p>To establish a new regulatory framework governing the use of dangerous goods for creating special effects in film and television productions and theatrical performances <i>(ITBB)</i></p>	<ul style="list-style-type: none"> <li>● To introduce the Entertainment Special Effects Bill into the Legislative Council in 2000 (1999)</li> <li>● To conduct public consultation in 1999-2000 on a new licensing system for pyrotechnic operators and a permit system governing the discharge of pyrotechnics and other dangerous goods in the production of films and television programmes (1998)</li> </ul>	<ul style="list-style-type: none"> <li>● The Entertainment Special Effects Bill was introduced into the Legislative Council in February 2000 and passed in June 2000.</li> </ul> <p><i>(Action Completed)</i></p> <ul style="list-style-type: none"> <li>● The Entertainment Special Effects Ordinance which sets out, among others, a new licensing system for special effects operators and a new discharge permit system, has already incorporated comments from the entertainment industry after a wide range of consultation. The Ordinance was enacted in June 2000.</li> </ul> <p><i>(Action Completed)</i></p>



Initiative	Target	Present Position
<p>To review the Control of Obscene and Indecent Articles Ordinance (COIAO) with a view to improving its operation and effectiveness</p> <p><i>(ITBB)</i></p>	<p>To complete the review of the COIAO in the light of public consultation in 1999-2000</p> <p><i>(1999 and 1998)</i></p>	<p>We issued a consultation paper on the 2000 Review of the COIAO in April 2000. We are formulating the policy proposals having regard to the comments received in the public consultation exercise.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To strengthen enforcement action by stepping up inspection visits to high-risk retail outlets to combat more effectively the sale of obscene and indecent articles</p> <p><i>(TELA)</i></p>	<p>To increase the number of inspections by 14% to 24 000 in 2000</p> <p><i>(1999)</i></p>	<p>About 19 900 inspections were conducted between January and September 2000. We expect to carry out 5 100 more inspections in the fourth quarter of 2000.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To strengthen public education and enhance public awareness of the provisions of the COIAO</p> <p><i>(TELA)</i></p>	<ul style="list-style-type: none"> <li>● To increase the number of talks, seminars and briefings on the COIAO by 25% to 62 in 2000</li> <li><i>(1999)</i></li> <li>● To double the number of briefings on the COIAO for parents, students and youth organisations from 25 in 1998 to 50 in 1999</li> <li><i>(1998)</i></li> </ul>	<ul style="list-style-type: none"> <li>● 51 briefings were organised for about 19 200 participants between January and September 2000. We expect to organise 14 more briefings in the fourth quarter of 2000.</li> <li><i>(Action in Progress: On Schedule)</i></li> <li>● 64 briefings were organised for over 23 000 participants in 1999.</li> <li><i>(Action Completed)</i></li> </ul>

Initiative	Target	Present Position
<p>To update the existing legislation with a view to providing a fair, open and technology-neutral regulatory environment</p> <p><i>(ITBB)</i></p>	<p>To introduce a technology and transmission neutral Broadcasting Bill into the Legislative Council in 1999-2000</p> <p><i>(1998 and 1995)</i></p>	<p>The Bill was introduced into the Legislative Council in February 2000. The Bill was enacted by the Legislative Council in June 2000 and the Broadcasting Ordinance came into operation in July 2000.</p> <p><i>(Action Completed)</i></p>
<p>To ensure compliance with the COIAO through preventive inspections and enforcement action</p> <p><i>(TELA)</i></p>	<p>To increase the number of inspections of newsstands and retail outlets for comic books and Video Compact Discs by 16% to 21 000 inspections in 1999</p> <p><i>(1998)</i></p>	<p>22 466 inspections were conducted in 1999.</p> <p><i>(Action Completed)</i></p>

# 2

## Create an open and competitive market for the broadcasting industry

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
<p>To open up the television market for competition</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB))</i></p>	<p>To process applications for the provision of new television services in Hong Kong with a view to issuing new licences in 2000</p> <p><i>(1999)</i></p>	<p>Having carefully evaluated the applications received, we announced the decision to issue new licences to five successful applicants in July 2000. We are finalising the terms and conditions of the licences with the successful applicants with a view to issuing them by end-2000.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To strengthen competition safeguards for the broadcasting market</p> <p><i>(ITBB/Television and Entertainment Licensing Authority (TELA))</i></p>	<p>To incorporate provisions against anti-competition practices in the Broadcasting Bill and to issue guidelines on the enforcement of these competition provisions by the Broadcasting Authority upon the enactment of the Broadcasting Bill</p> <p><i>(1999)</i></p>	<ul style="list-style-type: none"> <li>● Competition provisions had been incorporated in the Broadcasting Ordinance which was enacted in June 2000 by the Legislative Council.</li> </ul> <p><i>(Action Completed)</i></p> <ul style="list-style-type: none"> <li>● The Broadcasting Authority has drawn up the draft guidelines for consultation with the industry. The Authority aims to publish the guidelines in end-2000 or early 2001.</li> </ul> <p><i>(Action in Progress: On Schedule)</i></p>

Initiative	Target	Present Position
<p>To open up the cable TV network for interconnection with other telecommunications and broadcasting networks</p> <p><i>(Office of the Telecommunications Authority (OFTA))</i></p>	<p>To issue statements on principles for interconnection with cable TV networks in 2000</p> <p><i>(1999)</i></p>	<p>Two rounds of industry consultation on the principles and costing standards for the interconnection of broadband networks, including the cable TV network, have been completed. OFTA aims to issue a Telecommunications Authority Statement on broadband interconnection by end-2000.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To increase the transparency of the Broadcasting Authority (BA) by introducing administrative procedures to allow the licensees to make representations to the BA in respect of the recommendations made by the Broadcasting Authority Complaints Committee on complaints against them</p> <p><i>(TELA)</i></p>	<p>To implement the new procedures by the end of 1999</p> <p><i>(1999)</i></p>	<p>The procedures were adopted in September 1999.</p> <p><i>(Action Completed)</i></p>

Initiative	Target	Present Position
<p>To consider whether satellite broadcasting licensees should be allowed to open up their transmission facilities for use by others after Hong Kong Telecom International Limited's exclusivity on external facility-based services expires on 1 January 2000</p> <p><i>(ITBB)</i></p>	<p>To announce policy decisions by end-1998 with a view to putting in place the relevant regulatory procedures by 2000</p> <p><i>(1998)</i></p>	<p>Policy decision was announced in May 1999 to allow satellite broadcasting licensees to make use of their transmission facilities to carry other companies' broadcast programmes and various telecommunications services. The decision has been implemented since 1 January 2000.</p> <p><i>(Action Completed)</i></p>

# 3

## Foster the development of the local broadcasting and film industries

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
<p>To lower the costs of the broadcasters in an increasingly open and competitive market</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB))</i></p>	<p>To abolish the charging of royalties on subscription and advertising revenues upon enactment of the Broadcasting Bill, subject to implementation of full-cost recovery of licence fees</p> <p><i>(1999)</i></p>	<p>The charging of subscription and advertising royalties on TV licensees was abolished and the full-cost recovery licence fees was implemented concurrently upon commencement of the Broadcasting Ordinance in July 2000. We will implement the same for radio licensees through licence amendments.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To minimise regulatory restrictions on television broadcasting licensees</p> <p><i>(ITBB)</i></p>	<p>To remove existing investment restrictions and relax advertising time restrictions on licensees upon enactment of the Broadcasting Bill</p> <p><i>(1999)</i></p>	<p>The investment restrictions have been removed and advertising time restrictions relaxed since the commencement of the Broadcasting Ordinance in July 2000.</p> <p><i>(Action Completed)</i></p>

Initiative	Target	Present Position
<p>To facilitate applications for the provision of television services under the new regulatory regime to be established under the Broadcasting Bill</p> <p><i>(ITBB/Television and Entertainment Licensing Authority (TELA))</i></p>	<p>To issue guidance notes on applications for the new categories of licences upon the enactment of the Broadcasting Bill</p> <p><i>(1999)</i></p>	<p>We plan to issue the guidance notes in early 2001.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To explore with film industry organisations and tertiary institutions the possibility of developing training programmes for improving technical and technological know-how in the local film industry</p> <p><i>(TELA)</i></p>	<ul style="list-style-type: none"> <li>● To encourage film industry organisations and tertiary institutions to organise at least three training programmes to meet the training needs of the film industry in 2000-2001</li> <li><i>(1999)</i></li> <li>● To facilitate the organisation of a conference on digital technology in April 1999 and a short-term training programme on digital editing technology for the film industry in July 1999</li> <li><i>(1998 and 1996)</i></li> </ul>	<ul style="list-style-type: none"> <li>● From January to September 2000, seven training programmes were organised by tertiary institutions for the industry.</li> <li><i>(Action Completed)</i></li> <li>● Since September 1999, TELA has discussed with tertiary institutions and industry organisations and facilitated the organisation of nine training programmes on digital editing technology for the industry.</li> <li><i>(Action Completed)</i></li> </ul>

Initiative	Target	Present Position
<p>To explore means to assist the film industry in film financing <i>(TELA)</i></p>	<p>To complete a consultancy study on film financing in 2000 <i>(1999)</i></p>	<p>The consultancy study on film financing was completed in February 2000. A briefing was arranged for the industry and the findings were posted onto the website of the Film Services Office.  <i>(Action Completed)</i></p>
<p>The Film Services Office to provide one-stop service to the film industry on location shooting requests of a more complicated nature <i>(TELA)</i></p>	<p>To achieve a 90% success rate in dealing with the location shooting applications <i>(1999)</i></p>	<p>The Film Services Office has achieved a success rate of 98% in dealing with location shooting applications since September 1999.  <i>(Action Completed)</i></p>
<p>To set up a dedicated website for the dissemination of information and statistics relating to the local film industry <i>(TELA)</i></p>	<p>To establish the website by November 1999 <i>(1999)</i></p>	<p>The website was established in November 1999.  <i>(Action Completed)</i></p>



# 4

## Champion the growth of Hong Kong as a broadcasting and film production centre

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
<p>To allow satellite broadcasting licensees to transmit other companies' broadcasting programmes and various telecommunications services with effect from 1 January 2000</p> <p><i>(Office of the Telecommunications Authority)</i></p>	<p>To put in place relevant regulatory procedures by end-1999</p> <p><i>(1999)</i></p>	<p>Relevant regulatory procedures have been put in place. Subject to appropriate licensing, satellite broadcasters are allowed to transmit other companies' broadcasting programmes and telecommunications services with effect from 1 January 2000.</p> <p><i>(Action Completed)</i></p>
<p>To make available a site for film production facilities in the 1999-2000 land sale programme</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB))</i></p>	<p>To issue tender in 1999-2000</p> <p><i>(1999)</i></p>	<p>A site in Tseung Kwan O designated for film production facilities was put out for tender in March 2000 and the tender was awarded in August 2000.</p> <p><i>(Action Completed)</i></p>
<p>To simplify and relax, as appropriate, the rules governing ownership by non-residents and cross-media ownership</p> <p><i>(ITBB)</i></p>	<p>To draw up a new set of rules governing ownership by non-residents and cross-media ownership by end-1998 and introduce legislative amendments in 1999-2000</p> <p><i>(1998)</i></p>	<p>The new set of rules were announced in December 1998 and incorporated into the Broadcasting Ordinance, which came into operation in July 2000.</p> <p><i>(Action Completed)</i></p>

Initiative	Target	Present Position
<p>To promote Hong Kong films and Hong Kong as a location for filming</p> <p><i>(Television and Entertainment Licensing Authority)</i></p>	<ul style="list-style-type: none"> <li>● To hold Hong Kong Film Festivals in Washington D.C. and Sydney in 1999 <i>(1998)</i></li> <li>● To consider measures to make it more convenient to shoot films in Hong Kong, such as providing a comprehensive database to facilitate film production <i>(1996)</i></li> </ul>	<ul style="list-style-type: none"> <li>● The Film Services Office facilitated the organisation of the Hong Kong Film Festivals in Vancouver in June 1999 and in Washington D.C. in July 1999. The two film festivals attracted some 5 600 participants. It also facilitated the organisation of three Hong Kong Film Festivals in Sydney, Melbourne and Brisbane respectively in November 1999. The three film festivals attracted some 5 200 participants. <i>(Action Completed)</i></li> <li>● The Film Services Office continues to administer and manage a resource centre on film production services in Hong Kong which was first established in June 1998. It also published in 2000 the “Film and Video Production Directory” and the “Locations - Venues under the Management of Government Departments and Public Bodies” (2000 edition) to facilitate location shooting in Hong Kong. <i>(Action Completed)</i></li> </ul>