

MESSAGE

Having fully liberalised the television market for competition, Hong Kong is moving into a multi-player, multi-platform and multi-media communications era. Last year, we brought the competition provisions in the Broadcasting Ordinance into operation to strengthen competition safeguards for both incumbent and new-comers to the broadcasting market. We will continue to closely monitor the market development to ensure that our regulatory environment is open, fair and pro-competition. This is the best way to achieve our policy objectives of widening programme choice, encouraging investment and enhancing Hong Kong's position as a regional broadcasting hub.



Hong Kong is among the first in the world to separate the licensing and regulatory frameworks for the “provision” and “carriage” of television programme services. This forward-looking policy decision is now bearing fruit as it has enabled TV broadcasters to rollout services without having to invest heavily in the transmission infrastructure. This flexibility helps promote cross-penetration and cross-fertilisation of the telecommunications and broadcasting services, leading to a more dynamic and innovative communications market.

Looking into the future, digitisation promises consumers better picture and sound quality, a larger number of channels and a wide range of multi-media and other value-added services. To pave the way for the introduction of digital terrestrial television services, we put forward our policy proposals for consultation last year. We are carefully studying the submissions vis-à-vis our policy objectives with a view to formulating the most suitable policy framework for Hong Kong. Our aim is to enable consumers in Hong Kong to reap the full benefits of digital broadcasting and encourage the industry to develop innovative and quality services in the years to come.

On the film services side, 2001 is an eventful year for the Hong Kong film industry. The number of local film productions is on the rise. The total local box office receipts in 2001 are expected to surpass that of 2000. Local

film talents won awards in prestigious international film competitions – two film professionals from Hong Kong won an Academy Award (the Oscar) each, the first ever for Hong Kong. Distribution rights of many local films were sought after in international trade shows. All these demonstrate that local films are of world-class standards and well received by audiences in Hong Kong and other parts of the world.

To provide further assistance to the film industry in location shooting in Hong Kong, we introduced in March 2001 a new, more user-friendly and more efficient mechanism for film-makers to apply for lane closures for location shooting. We also launched a publicity campaign in July 2001 to rally community support for filming in Hong Kong. To promote Hong Kong films overseas, we co-organised with the Hong Kong Trade Development Council a large scale Hong Kong movies promotion at the Cannes International Film Festival in May 2001. We have also introduced a new scheme under the Film Development Fund to provide sponsorship for local films to participate in international film festivals overseas.

Looking ahead, we see the community to be enjoying films of different genres produced and starred by local talents and also much diverse and enriched television programmes provided by broadcasters. We shall continue to work hand-in-hand with the film and broadcasting industries to promote their long-term growth.

A handwritten signature in black ink, appearing to read 'Carrie Yau', with a stylized, flowing script.

(Mrs Carrie Yau)
Secretary for Information Technology
and Broadcasting

Broadcasting and Film Services

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 achieved satisfactory results in the four Key Result Areas (KRAs), details of which will be elaborated in this booklet.

We set four targets vis-à-vis our policy objectives last year.

Our first target was to increase programme choice for TV viewers. The three new domestic pay TV services, arising from the licence award in December 2000, are expected to be launched in 2002. We will also issue a guidance note for broadcasters and the satellite operator regarding the regulatory procedures and requirements in providing broadcasting-satellite service (BSS) making use of the four BSS channels assigned to Hong Kong by the International Telecommunication Union (ITU) in 1997.

Our second target was to attract investment in the broadcasting industry. We have separated the licensing and regulatory regimes for the “provision” and “carriage” of television programme services. This has attracted new investors in broadcasting services who do not wish to establish and operate their own transmission infrastructure. Among the new domestic pay TV licensees and new non-domestic licensees, some have taken advantage of this flexibility to hire the transmission networks of others to deliver their services. We have also put the competition provisions in the Broadcasting Ordinance into operation concurrently with the promulgation of the competition guidelines by the Broadcasting Authority.

Our third target was to encourage and facilitate the use of state-of-the-art technology in broadcasting services and film production. In December 2000 we issued a consultation paper on digital broadcasting and the consultation period ended in February 2001. We are now studying the 23 submissions received against our broadcasting policy objectives before finalising our policy decisions.

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. Between September 2000 and August 2001, we facilitated the organisation of five training courses on digital editing and computer animation. Also, sponsorship was provided under the Film Development Fund for eight local tertiary students to take a computer animation and visual effects course in a renowned university in the US in August 2001.

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 2000 and August 2001, we have rendered assistance to 226 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 2000, 150 local films were produced in Hong Kong, with box office receipts amounting to \$383 million or 42% of the total box office receipts. In 2000, Hong Kong films were screened in 11 major international film festivals and events and 21 awards were won. We co-hosted with an industry association a reception at Government House in April 2001 to give recognition to the achievements made by the local film industry personnel.

We also achieved the following progress in our four KRAs.

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

In 2000, we aimed to further develop and implement 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. The Broadcasting Authority issued the competition guidelines and the generic codes of practice on programme, advertising and technical standards after consultation with the industry. In addition, the Broadcasting Authority issued guidance notes on the application for non-domestic and other licensable (hotel) television programme service licences. These guidelines and codes of practice set out clear regulatory procedures, requirements and standards for the licensees to follow.

To facilitate the development of digital broadcasting in Hong Kong and to promote the diversity of services ensuing from this technology, we issued a consultation paper on digital terrestrial broadcasting in December 2000 to invite comments from the public and the industry. The consultation period ended in February 2001 and altogether 23 submissions were received. We are now studying these submissions against our broadcasting policy objectives before finalising our policy decisions.

The Entertainment Special Effects Ordinance, which sets out a new regulatory system governing the use of dangerous goods in the creation of special effects in film and television productions and theatrical performances, was enacted in June 2000. To provide for the detailed requirements under the new regulatory system, we have drafted a set of subsidiary legislation to the Ordinance and introduced it into the Legislative Council in December 2000. The new regulatory system came into operation in March 2001. We have also issued codes of practice and held briefings to provide practical guidance to the industry.

A biennial public opinion survey on the film classification system was conducted in mid-2000 to gauge the community's views on the existing film classification system. The survey revealed that there was general community support for the existing system and the existing

film classification standards were in line with the expectations of the community. The findings of the survey were publicised in end-2000.

We consulted the public in 2000 on a set of policy proposals arising from the 2000 Review of the Control of Obscene and Indecent Articles Ordinance. We received about 3 800 submissions during the two-month consultation period. The comments received on certain proposals are quite diverse. We are carefully considering whether and if so, how to revise our policy proposals so as to strike a proper balance between protecting public morals and our youths from obscene and indecent materials and preserving the freedom of expression and free flow of information.

2 Create an open and competitive market for the broadcasting industry

In 2000, we aimed to increase competition in the television market and the diversification of broadcasting services for the community. Our targets to increase the number of television programme service licensees and to promulgate the competition guidelines were achieved. The number of domestic pay television programme service licences increased from two to five, and the number of non-domestic television programme service licences increased from four to eight. The Competition Investigation Procedures and Guidelines to the Application of the Competition Provisions of the Broadcasting Ordinance were promulgated by the Broadcasting Authority on 16 February 2001. The Broadcasting Authority has published a guidance note on applications for other licensable television programme service licences to provide television services in hotel rooms and issued eight new licences for this purpose.

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 promote an increase in the number of operators providing telecommunications and broadcasting services on the same platform. A new domestic pay TV licensee is conducting trials and plans to launch a service platform in 2001 integrating broadcasting, video-on-demand, Internet, e-mail and other interactive services.

To ensure a level playing field for all players in the television market, we commenced the competition provisions in the Broadcasting Ordinance on 16 February 2001 concurrently with the promulgation of the guidelines by the Broadcasting Authority on how these provisions will be enforced.

3 Foster the development of the local broadcasting and film industries

In 2000, we aimed to promote the growth of pay TV subscribers and to increase the number of programme channels.

Over the past year, with the commencement of the four non-domestic TV programme services, the number of programme channels provided in Hong Kong increased from 40 to 46. The three new pay TV licensees are bound by performance bonds to provide not fewer than 70 programme channels upon full roll-out of their services.

In 2001, we introduced the Broadcasting (Licence Fees) Regulation for negative vetting by the Legislative Council. The subsidiary legislation, which sets out the licence fees for the four categories of television programme service licences on the basis of full-cost recovery, provides a predictable charging regime for the licensees.

With regard to support for the film industry, some \$29 million has been allocated to support 28 projects under the \$100 million Film Development Fund as of September 2001.

To enhance the professional skills of the local film industry personnel, the Television and Entertainment Licensing Authority (TELA) has facilitated the organisation of five training programmes between September 2000 and August 2001 on the use of advanced technology for film production. At present, there are 21 companies providing high technology services for film production. Since September 2000, nine local films produced in Hong Kong have made use of digital technology extensively to enhance their special audio-visual effects.

TELA organised another series of training courses for local special effects operators between late 2000 and early 2001 so as to upgrade their 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 Entertainment Special Effects Ordinance, which came into operation in March 2001.

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 2000, we aimed at an increase in the number of satellite broadcasters uplinking their services from Hong Kong and an increase in the number of satellite television channels uplinked from Hong Kong.

Four new non-domestic television programme service licences were issued in 2001 and five new applications are being processed by the Broadcasting Authority. Six new satellite TV channels were launched during the year.

Six Hong Kong Film Festivals were organised in Belgium, the United States, Germany and Australia between October 2000 and September 2001 (Brussels in June 2001, Washington D.C. in July/August 2001, Berlin in September 2001 as well as Sydney, Melbourne and Brisbane in September/October 2001). The Film Services Office (FSO) under TELA promoted Hong Kong as a choice for location filming at the international trade show “Locations 2001” held in Los Angeles in February 2001. The production guide and directory published by FSO were awarded the Honourable Mention Prize in the Association of Film Commissioners International Marketing Excellence Award. FSO also jointly organised with the Hong Kong Trade Development Council a large scale promotion of Hong Kong films during the Cannes International Film Festival in May 2001. In addition, the Film Development Fund has sponsored 14 Hong Kong films to participate in overseas international film festivals since late 2000.

Besides government assistance, the support of members of the community for location shooting in their neighbourhood is also important to make Hong Kong a user-friendly place for location shooting. To rally community support, FSO launched the “Support Filming in Your Community” publicity campaign in July 2001. FSO also introduced in March 2001 a new, streamlined mechanism for film-makers to apply for lane closures for location filming, under which

FSO coordinates the processing of such applications, obviating the need for film-makers to apply to individual departments and speeding up the processing of the applications.

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 fibres and radio waves. Increasingly, the broadcasting, telecommunications and information technology markets are converging at both the technological and service levels.

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 radio 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. To strengthen protection of youths from obscene and indecent materials, we published in 2000 for public consultation a set of policy proposals to improve the operation and enhance the effectiveness of the Control of Obscene and Indecent Articles Ordinance (COIAO). About 3 800 submissions have been received. We are examining the views. We will also continue to strengthen our enforcement work under the Ordinance and enhance 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, the new regulatory system under the Entertainment Special Effects Ordinance came into operation in March 2001. We will continue to work with the industry to ensure that the new system meets the operational needs of the entertainment industry and is 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 formulate the policy on broadcasting under a digital environment in 2002. Second, to further relax regulatory restrictions on the broadcasting licensees by reviewing in 2002-2003 the provisions in the Broadcasting Ordinance governing “disqualified persons” for holding broadcasting service licences.

Film Services

- The number of licences and permits issued under the Entertainment Special Effects Ordinance. Our target is to have more licences and permits issued.
- 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 enhanced public education and enforcement work. Our targets are to organise more public education activities and strengthen inspection work.

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

Initiative *	Target
To further relax regulatory restrictions on television broadcasting licensees <i>(Information Technology and Broadcasting Bureau)</i>	To review in 2002-2003 the provisions in the Broadcasting Ordinance governing “disqualified persons” for holding broadcasting service licences
To step up public education and enforcement of the COIAO <i>(Television and Entertainment Licensing Authority)</i>	<ul style="list-style-type: none"> ● To set up a parent’s resources centre and to engage non-governmental organisations in organising educational activities to promote protection of youths from obscene and indecent materials in 2002 ● To co-organise with the professional bodies, voluntary agencies and concerned groups a major Symposium on Protection of Children On-line in 2002

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

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 relaxed the regulatory restrictions for television broadcasters by replacing the Television Ordinance with the Broadcasting Ordinance. The Broadcasting Ordinance, which has incorporated the competition provisions, provides a level playing field for existing and new broadcasting service licensees. 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 conduct a consultation in 2002 on the policy, technical and regulatory issues relating to set-top boxes with a view to ensuring that such equipment provided by different service operators are inter-operable and inter-connectable. Third, to review the frequency channel allocation plan of in-building coaxial cable distribution systems (IBCCDS) in 2002 to cater for digitisation and introduction of new telecommunications and broadcasting services. Fourth, to issue an accounting manual to facilitate the separation of licensees' accounts for their broadcasting and telecommunications businesses.

- 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 –

Initiative	Target
<p>To facilitate consumers’ access to new broadcasting and multi-media services</p> <p><i>(Office of the Telecommunications Authority)</i></p>	<ul style="list-style-type: none"> ● To conduct a consultation in 2002 on the policy, technical and regulatory issues relating to set-top boxes with a view to ensuring that such equipment provided by different service operators are inter-operable and inter-connectable. ● To review, in 2002, the frequency channel allocation plan of in-building coaxial cable distribution systems (IBCCDS) promulgated in the Statement of the Telecommunications Authority in July 1999 to cater for digitisation and introduction of new telecommunications and broadcasting services.
<p>To prepare an accounting manual to facilitate the separation of licensees’ accounts for their broadcasting and telecommunications businesses</p> <p><i>(Television and Entertainment Licensing Authority)</i></p>	<p>To issue the accounting manual in 2002</p>

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 both subscription and advertising revenue received by TV broadcasting licensees and on advertising revenue received by sound broadcasting licensees.

The Broadcasting (Licence Fees) Regulation came into operation on 23 February 2001. The rationalised licence fee scheme for television programme services prescribed by the Regulation provides predictability to both existing and prospective operators and enhances the transparency of the regulatory regime.

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 work with government departments and public organisations to simplify the procedures for and speed up the processing of applications 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.
- Exchange of ideas and experience sharing in the industry. Our target is to conduct a sector-wide seminar and a briefing session in 2002-2003.

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 as well as applications for lane closures for location filming.

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

Initiative	Target
To promote understanding of the broadcasting industry and regulatory issues in a technologically-convergent environment <i>(Television and Entertainment Licensing Authority (TELA))</i>	To conduct a sector-wide seminar and a briefing session in 2002-2003
To enhance the technological and professional standards of the local film industry <i>(TELA)</i>	To encourage and facilitate the organisation of more training programmes, particularly on the application of digital technology, by tertiary institutions and film industry organisations in 2001-2002 to meet the training needs of the local film industry
To promote film financing for the local film industry and encourage financiers to take part in film financing <i>(TELA)</i>	To organise in late 2001 or early 2002 a major symposium on film financing for local film industry and financiers

Hong Kong has the potential to grow into one of the world's major film production 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 and satellite-based external fixed telecommunications network services operators to make use of their transmission facilities to carry broadcast programmes and various telecommunications services.

We have been promoting and will continue to promote Hong Kong films in international markets and overseas film festivals, as well as to promote 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.
- The introduction of broadcasting-satellite service (BSS) in Hong Kong. Our targets in 2002 are to license television broadcasting services making use of the four BSS channels assigned to Hong Kong and to invite expressions of interest for the other eight BSS channels assigned to 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 –

Initiative	Target
<p>To make available the eight broadcasting-satellite service (BSS) channels assigned to Hong Kong by the International Telecommunication Union in 2000 for the delivery of new broadcasting and multi-media services</p> <p><i>(Office of the Telecommunications Authority)</i></p>	<p>To gauge market response to the eight BSS channels in 2002-2003</p>
<p>To facilitate location shooting in Hong Kong</p> <p><i>(Television and Entertainment Licensing Authority (TELA))</i></p>	<ul style="list-style-type: none"> ● To co-ordinate the processing by relevant departments of applications under the new mechanism for film-makers to apply for lane closures for location filming ● To maintain an updated database on film production services at the Resource Centre of the Film Services Office and on the Film Services Office's website

Initiative	Target
<p>To rally the public's support for location filming in Hong Kong (TELA)</p>	<p>To organise a territory-wide publicity campaign "Support Filming in Your Community" from July to December 2001 to rally the public's support and cooperation for location filming in Hong Kong</p>
<p>To promote Hong Kong films overseas (TELA)</p>	<p>To facilitate the organisation of more promotional activities for Hong Kong films overseas</p>

Broadcasting and Film Services

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 +
<p>To formulate a licensing and regulatory framework for broadcasting services under a digital environment after public consultation</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB))</i></p>	<ul style="list-style-type: none"> ● To draw up the new framework in 2001 <i>(2000)</i> ● To complete the consultation in 2000, with a view to developing a regulatory framework for digital audio broadcasting by end-2000 <i>(1999, 1998 and 1997)</i> 	<p>We completed the public consultation on digital terrestrial broadcasting, including the policy proposals on digital audio broadcasting, in February 2001. We are studying the 23 submissions received against our broadcasting policy objectives with a renewed target of formulating the policy on broadcasting under a digital environment in 2002.</p> <p><i>(Action Completed)</i></p>
<p>To bring the regulatory framework for sound broadcasting services under the technology-neutral Broadcasting Ordinance</p> <p><i>(ITBB)</i></p>	<p>To commence consultation by end-2000 with a view to introducing legislative amendments in the 2001-2002 legislative session</p> <p><i>(2000)</i></p>	<p>The policy proposal was included in the consultation paper on digital terrestrial broadcasting issued in December 2000. The submissions are being studied.</p> <p><i>(Action in Progress: On Schedule)</i></p>

* 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 implement the new regulatory framework governing the use of dangerous goods to create special effects in film and television productions and theatrical performances</p> <p><i>(ITBB/Television and Entertainment Licensing Authority (TELA))</i></p>	<ul style="list-style-type: none"> ● 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 ● To issue codes of practice under the Entertainment Special Effects Ordinance to provide practical guidance to practitioners in 2001 <p><i>(2000)</i></p>	<ul style="list-style-type: none"> ● The subsidiary legislation was introduced in December 2000 and the new regulatory framework commenced operation in March 2001. ● The codes of practice were issued in March 2001. <p><i>(Action Completed)</i></p>
<p>To strengthen protection of youths from obscene and indecent materials</p> <p><i>(ITBB/TELA)</i></p>	<ul style="list-style-type: none"> ● To introduce legislative amendments in 2001 to implement the policy proposals arising from the 2000 Review of the Control of Obscene and Indecent Articles Ordinance (COIAO) ● To conduct a public opinion survey in 2000-2001 on the classification standards generally accepted by the community <p><i>(2000, 1999 and 1998)</i></p>	<ul style="list-style-type: none"> ● We are considering whether and if so, how to revise the policy proposals, having regard to the public comments received. <p><i>(Action in Progress: Under Review)</i></p> <ul style="list-style-type: none"> ● The fieldwork of the public opinion survey has been completed. Survey results will be available by end-2001. <p><i>(Action in Progress: On Schedule)</i></p>

Initiative	Target	Present Position
<p>To step up public education and enforcement of the COIAO (TELA)</p>	<ul style="list-style-type: none"> ● To produce Announcements in the Public Interest (APIs) for broadcast on television and other publicity materials in 2001 ● To increase the number of talks and seminars for parents, students and youth organisations to 70 in 2001 ● 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 ● To increase the number of TELA inspections at retail outlets to 45 000 in 2001 (2000) 	<ul style="list-style-type: none"> ● We have broadcast APIs more frequently on television and have distributed publicity materials like pamphlet and filtering software to the community. ● 135 talks and seminars were held between January and September 2001. 15 more briefings will be organised in the fourth quarter of 2001. ● Two events were co-organised with non-governmental organisations between January and September 2001. Another two events will be rolled out in late 2001 to early 2002. ● About 41 500 inspections were conducted from January to September 2001. More than 5 000 inspections will be carried out in the fourth quarter of 2001. <p><i>(Action in Progress: On Schedule)</i></p>

Initiative	Target	Present Position
<p>To explore the introduction of digital terrestrial television (DTT) services in Hong Kong (ITBB)</p>	<p>On satisfactory completion of DTT technical trials, to determine in 2000 a DTT standard for adoption (1999)</p>	<p>The consultation paper on digital terrestrial broadcasting, including DTT, was issued in December 2000 and the consultation ended in February 2001. The submissions are being studied. (Action in Progress: Under Review)</p>
<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 (ITBB/Office of the Telecommunications Authority)</p>	<p>To draw up the licensing framework in 2000 (1999)</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. A guidance note setting out the regulatory requirements and procedures for satellite facility provider and those interested in making use of the four BSS channels to provide broadcasting services in Hong Kong will be issued. (Action in Progress: On Schedule)</p>

Initiative	Target	Present Position
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 <i>(TELA)</i>	To issue generic codes of practice for television programmes and advertising upon the enactment of the Broadcasting Bill <i>(1999)</i>	The Broadcasting Ordinance commenced in July 2000. The Broadcasting Authority has issued the generic codes of practice which took effect from 1 June 2001 after consultation with the industry and the community. <i>(Action Completed)</i>
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 <i>(TELA)</i>	To increase the number of inspections by 14% to 24 000 in 2000 <i>(1999)</i>	26 317 inspections were carried out in 2000. <i>(Action Completed)</i>
To strengthen public education and enhance public awareness of the provisions of the COIAO <i>(TELA)</i>	To increase the number of talks, seminars and briefings on the COIAO by 25% to 62 in 2000 <i>(1999)</i>	Sixty-five talks and seminars were organised in 2000. <i>(Action Completed)</i>

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
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 <i>(2000)</i>	The guidance note on applications for other licensable television programme service licences to provide television services in hotel rooms in Hong Kong was gazetted on 30 March 2001. <i>(Action Completed)</i>
To open up the television market for competition <i>(Information Technology and Broadcasting Bureau (ITBB))</i>	To process applications for the provision of new television services in Hong Kong with a view to issuing new licences in 2000 <i>(1999)</i>	We issued new domestic pay television programme service licence in December 2000. <i>(Action Completed)</i>

Initiative	Target	Present Position
<p>To strengthen competition safeguards for the broadcasting market <i>(ITBB/TELA)</i></p>	<ul style="list-style-type: none"> ● To issue the guidelines after conducting a consultation with the industry in end-2000. <i>(2000)</i> ● 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 <i>(1999)</i> 	<p>The competition provisions commenced on 16 February 2001. The Broadcasting Authority issued on the same date the Competition Investigation Procedures and Guidelines to the Application of the Competition Provisions of the Broadcasting Ordinance after consultation with the industry and the public. <i>(Action Completed)</i></p>
<p>To open up the cable TV network for interconnection with other telecommunications and broadcasting networks <i>(Office of the Telecommunications Authority)</i></p>	<p>To issue statements on principles for interconnection with cable TV networks in 2000 <i>(1999)</i></p>	<p>After conducting two rounds of consultation, the Telecommunications Authority issued a statement on broadband interconnection, including the cable TV network, in November 2000. <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 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><i>(2000)</i></p>	<p>The licence fees for the four categories of licences under the Broadcasting Ordinance were prescribed in the Broadcasting (Licence Fees) Regulation, which came into effect on 23 February 2001.</p> <p><i>(Action Completed)</i></p>
<p>To standardise the licence conditions for new categories of licences under the Broadcasting Ordinance</p> <p><i>(Information Technology and Broadcasting Bureau (ITBB)/TELA)</i></p>	<p>To formulate general conditions for the four categories of licences under the Broadcasting Ordinance in 2001</p> <p><i>(2000)</i></p>	<p>The general conditions for domestic pay television programme service licences have been incorporated in the new licences granted on 5 December 2000. Sample licences setting out the standardised general conditions for non-domestic and other licensable television programme service licences were published by the Broadcasting Authority respectively in November 2000 and March 2001.</p> <p><i>(Action Completed)</i></p>

Initiative	Target	Present Position
<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 (RTHK))</i></p>	<p>To commence broadcasting the commissioned programmes in early 2001</p> <p><i>(2000)</i></p>	<p>RTHK has been broadcasting the commissioned programmes since February 2001.</p> <p><i>(Action Completed)</i></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><i>(2000)</i></p>	<p>A training programme tailor-made for the film industry is planned for 2001-2002.</p> <p><i>(Action in Progress: On Schedule)</i></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> <p><i>(2000)</i></p>	<p>The guidelines were issued in March 2001.</p> <p><i>(Action Completed)</i></p>

Initiative	Target	Present Position
<p>To lower the costs of the broadcasters in an increasingly open and competitive market (ITBB)</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 (1999)</p>	<p>The charging of subscription and advertising royalties on TV licensees was abolished and the full-cost recovery of licence fees was implemented concurrently upon commencement of the Broadcasting Ordinance in July 2000. We have implemented the same for radio licensees through licence amendments with effect from 9 January 2001. (Action Completed)</p>
<p>To facilitate applications for the provision of television services under the new regulatory regime to be established under the Broadcasting Bill (ITBB/TELA)</p>	<p>To issue guidance notes on applications for the new categories of licences upon the enactment of the Broadcasting Bill (1999)</p>	<p>The guidance notes on applications for non-domestic programme service licences and other licensable television programme service licences to provide service to hotel rooms were issued by the Broadcasting Authority respectively in November 2000 and March 2001. (Action in Progress: On schedule)</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 year. Details are set out below –

Initiative	Target	Present Position
To attract overseas broadcasters to uplink television service from Hong Kong and to provide television service in Hong Kong <i>(Television and Entertainment Licensing Authority (TELA))</i>	To issue a guidance note on applications for non-domestic television programme service licences in early 2001 <i>(2000)</i>	The guidance note for applications for non-domestic television programme service licences was gazetted on 3 November 2000. <i>(Action Completed)</i>
To encourage location shooting in Hong Kong by overseas film-makers <i>(TELA)</i>	To promote Hong Kong as an attractive location for filming in international trade shows <i>(2000)</i>	The Film Services Office under TELA promoted Hong Kong as a choice for location filming at the “Locations 2001 Global Expo” in Los Angeles in February 2001 and at the Cannes International Film Festival in May 2001. <i>(Action Completed)</i>
To promote Hong Kong films overseas <i>(TELA)</i>	To provide financial support for the film industry to participate in major international film festivals and markets <i>(2000)</i>	A new sponsorship scheme was introduced under the Film Development Fund in late 2000 for local films to participate in overseas international film festivals. <i>(Action Completed)</i>