

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2299/04-05  
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by the Administration)

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**Panel on Information Technology and Broadcasting**

**Minutes of special meeting  
held on Thursday, 21 July 2005, at 4:30 pm  
in the Chamber of the Legislative Council Building**

- Members present** : Hon SIN Chung-kai, JP (Chairman)  
Hon Albert Jinghan CHENG (Deputy Chairman)  
Dr Hon LUI Ming-wah, SBS, JP  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon Timothy FOK Tsun-ting, GBS, JP
- Members attending** : Hon Albert HO Chun-yan  
Hon Martin LEE Chu-ming, SC, JP  
Hon Fred LI Wah-ming, JP  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Andrew CHENG Kar-foo  
Hon Abraham SHEK Lai-him, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon LEUNG Kwok-hung  
Dr Hon KWOK Ka-ki  
Hon Ronny TONG Ka-wah, SC
- Member absent** : Hon Howard YOUNG, SBS, JP
- Public officers attending** : Agenda Item I  
Mr John C TSANG, JP  
Secretary for Commerce, Industry and Technology

Mrs Marion LAI, JP  
Deputy Secretary for Commerce, Industry and Technology  
(Communications and Technology)

Mr CHU Pui-hing, JP  
Director of Broadcasting

Agenda Item II

Mrs Marion LAI, JP  
Deputy Secretary for Commerce, Industry and Technology  
(Communications and Technology)

Ms Lorna WONG  
Commissioner for Television and Entertainment Licensing

Mr PO Pui-leong  
Assistant Commissioner for Television and Entertainment  
Licensing (Broadcasting)

**Attendance by invitation** : Agenda Item I

Radio Television Hong Kong Programme Staff Union

Ms Janet MAK Lai-ching  
Chairperson

Ms Echo WAI Pui-man  
Exco Member

**Clerk in attendance** : Miss Polly YEUNG  
Chief Council Secretary (1)3

**Staff in attendance** : Ms Connie FUNG  
Assistant Legal Adviser 3

Ms Debbie YAU  
Senior Council Secretary (1)1

Ms Sharon CHAN  
Legislative Assistant (1)6

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**I Broadcasting services of Radio Television Hong Kong**

- LC Paper No. CB(1)2103/04-05(01) -- Supplementary information paper provided by Radio Television Hong Kong in response to members' questions raised on 11 July 2005
- LC Paper No. CB(1)2103/04-05(02) -- Updated chronology of the newspaper reports on the broadcasting services of RTHK since 18 January 2005 (Chinese version only)
- LC Paper No. CB(1)1985/04-05(03) -- Information paper provided by Administration
- LC Paper No. CB(1)1985/04-05(02) -- Letter (in Chinese only) dated 4 July 2005 from Hon Emily LAU
- LC Paper No CB(1)2010/04-05 -- Updated background brief on broadcasting services of Radio Television Hong Kong prepared by the Secretariat
- LC Paper No CB(1)2016/04-05(01) -- Framework agreement between the Secretary for Commerce, Industry and Technology and Director of Broadcasting
- LC Paper No. CB(1)2016/04-05(02) -- Submission from Radio Television Hong Kong Programme Staff Union
- LC Paper No. CB(1)2035/04-05(03) -- Press releases of the Administration and the Radio Television of Hong Kong (RTHK) relating to the broadcasting services of RTHK
- LC Paper No. CB(1)2035/04-05(04) -- A chronology of the newspaper reports on the broadcasting services of RTHK for the period between 18 January 2005 and 11 July 2005 (Chinese version only)

LC Paper No. CB(1)2062/04-05(01) -- Press release (in Chinese only) provided by the Radio Television Hong Kong on the launching of an FM channel in Tin Shui Wai

LC Paper No. CB(1)2124/04-05(01) -- Speaking note of the Secretary (tabled and subsequently issued on 22 July 2005) for Commerce, Industry and Technology

Remarks by the Secretary for Commerce, Industry and Technology (SCIT) and Director of Broadcasting (D of B)

SCIT apologised for not being able to attend the last Panel meeting on 11 July 2005 because of his duty visit to the Mainland. He stressed that it was the Government's long-standing policy that Radio Television of Hong Kong (RTHK) should be editorially independent to ensure the provision of fair, balanced and objective news and public affairs programmes. As a publicly-funded broadcaster, RTHK had to make effective use of the resources allocated to it to produce high quality and innovative programmes. Moreover, it was a general policy for government departments not to compete directly with the commercial sector and hence, RTHK should complement the services of commercial broadcasters. As a public service broadcaster (PSB), RTHK would service a broad spectrum of audiences and cater to the needs of minority interest groups.

2. D of B remarked that subsequent to the last Panel meeting held on 11 July 2005, issues related to the existing structure, operation and long-term development of RTHK had been widely discussed in the media. The decision to scrap the live broadcast of horse-racing had also triggered concerns about the programming policy and editorial independence of RTHK and revived discussion on the feasibility of corporatization. D of B acknowledged that all these developments had to some extent posed pressure on RTHK staff. As a responsible PSB, RTHK was prepared to exchange views with different sectors of the community and follow up their concerns where appropriate.

Presentation of views by the RTHK Programme Staff Union

3. At the invitation of the Chairman, Ms Janet MAK, Chairman of the RTHK Programme Staff Union, expressed the anxiety of RTHK staff in response to the remarks made by top government officials about the types of programmes that RTHK should produce. They were worried about possible erosion of RTHK's editorial independence. Ms MAK said that staff members were also gravely concerned about the adverse impact of the reduction in financial provision for RTHK over the past few years. She urged that RTHK should be allowed to explore other financial sources in order to sustain further development. Referring to the Broadcasting Review Board Report published some 20 years ago,

Ms MAK pointed out that it was timely to review the development and way forward for the broadcasting industry in Hong Kong, including the role of RTHK.

Issues arising from the decision to scrap live broadcast of horse-racing

*Related arrangements*

4. Mr Tommy CHEUNG considered that since RTHK had worked with the Hong Kong Jockey Club (HKJC) on the live broadcast of horse-racing over the past 30 years, RTHK should give sufficient lead time to HKJC instead of serving such a short notice to scrap the programme. He pointed out that if RTHK could continue the programme for one or two years, HKJC would be in a better position to identify a replacement broadcaster. Mr CHEUNG was also concerned about the arrangement for the staff previously responsible for the production of the programme.

5. In response, D of B recapped that the decision had been made having regard to programming and cost considerations, and that there had been thorough internal discussion on various options, including the possibility of stopping the live broadcast of horse-racing in 2006 instead of 2005. D of B said that he had informed HKJC in May this year of RTHK's intention to scrap the live broadcast and to make an announcement about RTHK's decision towards end of June. Regarding the staff involved in the production of the programme, D of B advised that RTHK's contract with horse-racing commentators and the relevant technical services agreements for the programme were subject to annual renewal. The programme producers, being staff of RTHK, would be re-deployed to other production teams. D of B agreed that it had not been an easy decision to scrap a programme which had been in place for over 30 years and he thanked relevant parties for their understanding and support.

*Remarks made by top government officials*

6. Referring to the remarks made by top government officials on RTHK's programming, including those by Mr Donald TSANG during his campaign for the post of the Chief Executive (CE), Dr KWOK Ka-kai sought the Administration's explanation as to why these officials still stated their views notwithstanding that a Framework Agreement (FA) between SCIT and D of B was already in place specifying, inter alia, their respective role and responsibilities.

7. Mr Fred LI also considered that such remarks were indeed a blow to RTHK's editorial independence. Given that Mr Donald TSANG had also expressed reservation on the production of the Top Ten Chinese Golden Songs Awards programme during his election campaign, Mr LI pointed out that this would inevitably cause unease among RTHK staff, in particular the relevant production team.

8. On concerns about the remarks on RTHK's programming, SCIT said that Mr Donald TSANG had merely expressed his personal views on the matter during the CE election campaign in response to media enquiries. The Chief Secretary for Administration (CS) and he himself had also responded to media questions on the subject from the policy perspective. SCIT highlighted that generally speaking, all these remarks pointed to the widely accepted role of RTHK as a PSB to make effective use of public resources to produce high quality and innovative programmes.

9. In reply to Mr Fred LI's further enquiry, D of B confirmed that RTHK and the Commerce, Industry and Technology Bureau (CITB) had not exchanged any correspondence in the consideration of the way forward for the live broadcast of horse-racing. He said that in April/May this year, he had verbally informed SCIT of RTHK's intention to scrap live horse-racing coverage and its plan to finalize and announce the decision in June after the current race season had ended.

10. Ms Emily LAU recapped her observation that when Mr Donald TSANG expressed his dislike of RTHK's live broadcast of horse-racing during his election campaign in June this year, he should have been aware of RTHK's preliminary decision in May to scrap the programme. As such, Ms LAU considered that SCIT or D of B should have clarified this point earlier in order to put things in proper perspective.

11. In this connection, D of B explained that following remarks made by top government officials in June this year, RTHK had conducted another round of discussion on the broadcasting arrangement for horse-racing. After thorough internal deliberation, RTHK confirmed its decision on 7 July 2005 that live broadcast of the programme would be suspended starting from the new racing season in September 2005. Nevertheless, D of B acknowledged that the transparency of the incident could be further improved by strengthening communication with staff and the public.

12. Mr Martin LEE considered Mr Donald TSANG's remarks very unfair to the other two CE candidates as the latter had no access to high-level government information and hence, were not in such a good position to state their personal views on the matter. In this connection, SCIT remarked that it was quite natural for Mr Donald TSANG, by virtue of his years of experience in senior government position, to be more conversant with government policies and operation. He said that he did not see any conflict of interest for Mr TSANG to state his personal views on RTHK during the election campaign.

13. Ms Audrey EU recalled that according to a newspaper report, Mr Donald TSANG had undertaken during his election campaign that once elected, he would reform RTHK, such as to strengthen its role to promote government policies, and to consider scrapping the live broadcast of horse-racing and the Top Ten Chinese Golden Songs Awards Ceremonies. As Mr Donald TSANG was the incumbent

CE, Ms EU was concerned whether it was the Administration's intention to implement the undertaking given by Mr TSANG during his election campaign to revamp RTHK. In reply to the Chairman, SCIT confirmed that so far, he had not received any instruction from CE to revamp RTHK's programming.

*Staff concern about RTHK's editorial independence*

14. Ms Emily LAU recalled D of B's earlier remark given at the last Panel meeting that developments in June this year after he had verbally notified SCIT in April/May of RTHK's intention to scrap live horse-racing coverage were totally beyond his anticipation and had caused some concern within RTHK. In this connection, Ms LAU sought information from D of B, being RTHK's Chief Editor, on measures that had been taken to address the concerns of RTHK staff.

15. In response, D of B said that discussion in the community in June this year about whether or not RTHK should continue the live broadcast of horse-racing had prompted RTHK to critically re-examine the matter. In view of the need for further consideration, RTHK could not finalize its decision until 7 July 2005. D of B added that to address various concerns, RTHK had set up three task groups to take up the following tasks respectively : (a) to enhance RTHK's capability in responding effectively to external discussion/enquiries on RTHK's future development; (b) to strengthen public consultation and (c) to step up communication between senior management and operational staff. It was anticipated that in relation to (b), a public forum to gauge the public's views on the services of RTHK would be held in the fourth quarter of 2005. With regard to (c), it was expected that improvement measures and actions would be taken in the second half of 2005.

16. Referring to an internal survey conducted among staff members of RTHK in last September in which about 90% of the respondents felt that they were under pressure, Mr Ronny TONG enquired about measures which CITB and RTHK had taken or would take to dispel such anxiety among staff. He also sought clarification from SCIT on whether remarks made by top government officials on RTHK's programming were in violation of the FA.

17. In response, SCIT recapped that CITB and RTHK had all along maintained a cordial working relationship since he took up office. Referring to the FA, he remarked that SCIT would provide D of B with policy guidance and support through various ways such as defining the programmes of activities of RTHK and agreeing the underlying activities. SCIT stressed that his recent remarks in July were to highlight the objective of the broadcasting policy and that there was no question of any attempt to interfere with RTHK's programming decision.

18. Mr Ronny TONG did not subscribe to SCIT's explanation. He could appreciate the worry of RTHK staff about possible erosion of their editorial independence because it was unknown to them that CITB had reached a

consensus with the senior management of RTHK in April/May 2005 to scrap the live broadcast of horse-racing. Mr TONG considered that it would certainly help to dispel worries by staff over RTHK's editorial autonomy if top government officials would refrain from making such open comments.

19. In response, SCIT re-affirmed the editorial independence of RTHK. SCIT was only responsible for providing policy guidance and support to D of B, as well as reviewing the policy aim and operational objectives of RTHK's programmes of activities. Regarding the anxieties of the staff as depicted by members, SCIT considered that such worries would be alleviated if RTHK staff could disregard remarks suggestive of conspiracy. D of B advised that the senior management of RTHK was aware of the aforesaid staff survey and the sentiment among staff members. He hoped that the task group to step up communication with staff could devise effective measures to allay the concerns of staff.

20. Ms Janet MAK, Chairman of RTHK Programme Staff Union said that as journalists, RTHK staff tended to be more critical and sensitive to views and concerns expressed on RTHK's editorial freedom. Referring to a public forum during which participants expressed concerns about freedom of expression, Ms MAK said that worry about RTHK's editorial independence was not something being conjured up, but the general perception of the public at large.

21. Ms Audrey EU referred to the comments of CS and SCIT that RTHK should produce high-quality programmes for minority groups and pointed out that such comments might have led RTHK staff to perceive that top officials were criticizing the existing quality of RTHK's programmes. In response, SCIT recapped that CS and he himself had only responded to media questions from the policy perspective. He stressed that programmes catering to the needs of minority interest groups were those which private-sector broadcasters were not commercially motivated to produce. D of B supplemented that currently, about half of RTHK's productions targeted at minority interest groups while a majority of its television productions were programmes complementing those produced by commercial television broadcasters.

#### *RTHK's programming strategy*

22. Referring to comments about duplication of services provided by RTHK and commercial broadcasters, Mr LEUNG Kwok-hung considered that programmes of a similar nature could be produced in different styles by different broadcasters to provide the community with greater programme diversity. He added that news and current affairs programmes were being produced by all broadcasters. SCIT advised that RTHK was providing a wide range of public services programmes, including news, current affairs, history, arts and culture, science and civic education etc. To fulfil its role as a PSB, RTHK should attach great importance to the production of news and current affairs programmes.

23. Noting that SCIT had emphasized RTHK's role as a PSB which should not engage in direct competition with commercial broadcasters but cater to the needs of minority interest groups, Mr Jasper TSANG enquired whether the Administration was of the view that at present, RTHK was not discharging its role effectively. He also asked whether the live broadcast of horse-racing was regarded as inconsistent with provisions in the FA. In this connection, SCIT recapped that he was merely stating RTHK's role as a PSB in response to media questions. He and D of B had exchanged views on different aspects of RTHK from time to time, during which he had provided policy guidance and support but not views on individual programmes the operation of which was the responsibility of D of B.

24. Mrs Selina CHOW said that having regard to the ongoing discussion and the views of various stakeholders (including top government officials and RTHK staff) raised over the past few months, she had come to the view that while different stakeholders might adopt different perspectives, they seemed to concur that reforms should be introduced in RTHK. As such, Mrs CHOW considered that SCIT should take forward possible reform measures taking into account factors such as staff concerns, public expectation, long-term strategic development of RTHK, manpower training and radio channel management.

25. In response, SCIT reiterated that he had exchanged views with D of B on various aspects of RTHK from time to time with a view to ensuring that RTHK met its role as a PSB. D of B supplemented that it was also important that RTHK, being a publicly-funded broadcaster, could discharge its role in a cost-effective manner, and be capable of coping with changes in the increasingly technological convergent environment and meeting challenges in the digital era.

#### Corporatization

26. In reply to Dr KWOK Ka-ki, SCIT confirmed that for the time being, the Administration did not have any plans to corporatize RTHK. Dr KWOK Ka-ki nevertheless urged the Administration to examine the feasibility of RTHK's corporatization in the context of a broadcasting review further to the one conducted some 20 years ago.

27. Mr Andrew CHENG referred to D of B's viewpoint expressed at last Panel meeting that while RTHK should be editorially independent, it must also be seen or perceived to be so. This could be better safeguarded by institutional means such as corporatization, as in the case of PSBs in many other advanced economies. Mr CHENG considered that corporatization of RTHK would help bring about a "small government". He also sought D of B's view on how RTHK's senior management should be constituted after corporatization to ensure editorial independence.

28. In response, SCIT highlighted that RTHK's corporatization involved a host of complex issues such as the source of funding, the bridging-over arrangements

for serving civil servants, institutional arrangements and other changes. The subject matter would require careful and detailed study. SCIT also did not agree that corporatization would necessarily result in a "small government".

29. D of B supplemented that the issue of RTHK's corporatization might be considered in the context of RTHK's role as a PSB in Hong Kong. He pointed out that while corporatization was not the sole instrument to safeguard RTHK's editorial independence, it could help RTHK operate more flexibly and reinforce its independent role. D of B further highlighted that since corporatization of RTHK, if taken forward, would need to be implemented by legislation, the Administration and the Legislative Council would have the opportunity to work out the detailed arrangements such as the governance structure and mode of operation.

#### RTHK's annual provision and digital broadcasting

30. Referring to comments that the Administration intended to intervene with the operation and development of RTHK by "drying up" its resources, Dr KWOK Ka-ki considered that further reduction in RTHK's annual provision would impede its development plans, including the development of digital broadcasting. Ms Audrey EU and Mr LEUNG Kwok-kung also pointed out that as the development of digital broadcasting required substantial investment, RTHK would not be able to take forward any plan if its financial provision was inadequate.

31. In response, SCIT recapped the Administration's explanation given at previous Panel meetings and Special Finance Committee meetings that the reduction in operating expenditure had been implemented service-wide due to fiscal deficit in the past few years. Hence, there was no question of any intention to "dry up" RTHK's resources. In fact, the reduction in RTHK's annual provision was broadly consistent with that for other departments under the purview of the Communications and Technology Branch in the Commerce, Industry and Technology Bureau.

32. On the development of digital broadcasting, SCIT advised that the two commercial TV broadcasters would start simulcasting both analogue and digital terrestrial television (DTT) services by 2007 but the Administration had adopted a market-led approach in launching digital audio (DA) broadcasting services. He further explained that notwithstanding the implementation of DA broadcasting in the United Kingdom for over ten years, its penetration rate remained very low because digital receivers were expensive. DA broadcasting had not been widely taken forward in many other jurisdictions. As such, the Administration did not consider it cost-effective to use public resources for RTHK to develop DA broadcasting at this stage but RTHK had spent about \$2 million had been spent in conducting related trials.

33. In this connection, Ms Janet MAK, Chairman of RTHK Programme Staff Union said that RTHK had not financed the testing for DTT broadcasting. Instead, RTHK had invited some suppliers to provide demonstrations and equipment to the staff concerned for short trial.

34. While agreeing with a market-led approach for DA broadcasting, the Deputy Chairman enquired about the implementation timetable so that more radio channels could be made available and opened up interested investors. The Chairman also asked about the mechanism for allocating the radio frequency spectrum for DA broadcasting.

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35. In response, the Deputy Secretary for Commerce, Industry and Technology (Communications and Technology) (DSCIT(CT)) advised that the Administration welcomed proposals to conduct testing for DA broadcasting. The Administration would formulate the licensing regime for DA broadcasting when there was sufficient market response. On spectrum allocation for DA broadcasting, DSCIT(CT) said that it would be considered in the context of the Administration's spectrum policy review. The Administration would provide a paper on the said review for the discussion of the Panel in due course.

36. Noting from the submission of RTHK's Programme Staff Union that RTHK did not have adequate resources to provide staff with general facilities and equipment, Dr KWOK Kai-ki was concerned about measures to address the problem. In response, D of B said that due to resources constraint and the lack of office space at RTHK, currently, three officers had to share one computer. He hoped that the proposed Broadcasting House project in Tseung Kwan O would soon be upgraded to Category A of the Public Works Programme and taken forward expeditiously. Ms Janet MAK of the RTHK Programme Staff Union pointed out that the existing buildings of RTHK were ill-equipped to meet modern office standards.

37. The Deputy Chairman supported the proposed Broadcasting House project. Noting that about 65% of the RTHK's annual provision of \$428 million for 2005-06 was for staff salaries and the Technical Services Agreement while about \$120 million was used to maintain the operation of its outdated facilities, the Deputy Chairman urged that it would be more cost-effective to reprovision RTHK to a new Broadcasting House. He also recapped his concern expressed earlier on that currently, RTHK only produced about 120 hours of radio programme each day thereby reducing its capacity output to that of just five channels. As the full capacity of RTHK's seven channels had not been optimized, the Deputy Chairman urged that the surplus radio channels should be made available for public use. In reply to the Deputy Chairman's further enquiry, D of B advised that to cope with the reduction in annual provision for 2004-05, the total number of hours of television programme production had been reduced from 580 to 550.

Summing up

38. To facilitate future consideration, Ms Audrey EU suggested that the Administration should be requested to prepare a comprehensive paper to address the various issues raised at the meeting.

Admin

39. In this connection, the Chairman reminded Members that the Panel had scheduled the discussion of RTHK's services in November 2005. He therefore suggested that for the purpose of the forthcoming discussion, the Administration should provide a comprehensive paper/papers on key issues, including :

- (a) corporatization of RTHK (incorporating the views and findings, if any, drawn up by RTHK);
- (b) development of digital broadcasting;
- (c) provision of public access channels;
- (d) whether and how reforms or improvement measures would be introduced for RTHK; and
- (e) the way forward for the proposed Broadcasting House.

Members agreed to the Chairman's suggestion.

**II Freedom of expression and other issues related to personal view programmes of sound broadcasting licensees**

LC Paper No. CB(1)2103/04-05(03) -- Information paper provided by Administration

(downloadable from -- Radio Code of Practice on Programme Standards issued by the Broadcasting Authority on 4 February 2005  
[http://www.hkba.hk/en/doc/code\\_rad\\_ioprogram\\_e.pdf](http://www.hkba.hk/en/doc/code_rad_ioprogram_e.pdf))

LC Paper No CB(1)2104/04-05 -- Background brief prepared by the Secretariat

LC Paper No. CB(1)2016/04-05(05) -- Letter (in Chinese only) dated 7 July 2005 from Hon LEE Wing-tat

LC Paper No. CB(1)2107/04-05(01) and (03) -- The Panel's invitation letter dated 14 July 2005 to the Broadcasting Authority and the reply thereto

LC Paper No. CB(1)2107/04-05(02) -- The Panel's invitation letter dated and (04) 14 July 2005 to Hong Kong Commercial Broadcasting Company Limited and the reply thereto

### Introduction

40. The Chairman explained that in the wake of public concerns arising from the decision of Hong Kong Commercial Broadcasting Company Limited (CRHK) to terminate its contract with Mr WONG Yuk-man, Hon LEE Wing-tat had requested the Panel to hold a special meeting to discuss the subject (vide letter dated 7 July 2005 (LC Paper No. CB(1)2016/04-05(05))). To facilitate discussion, the Panel had invited the Broadcasting Authority (BA) and CRHK to attend the meeting. The replies from BA and CRHK had been circulated to all Members for information vide LC Paper No. CB(1)2107/04-05(03) and (04). The Chairman highlighted that the Panel would not discuss the specific case of Mr WONG, but would examine freedom of expression and other issues related to personal view programmes of sound broadcasting licensees from the policy and regulatory perspectives.

41. At the invitation of the Chairman, the Commissioner for Television and Entertainment Licensing (C for T&EL) briefed members on the role and functions of the BA, its view on freedom of expression, the regulation of sound broadcasting content and other information related to the renewal of sound broadcasting licences.

### BA's regulatory role

42. Ms Emily LAU shared her past experience that CRHK had declined to arrange her to speak on air at some personal view programmes after she had phoned in and that on many occasions, CRHK had not allowed sufficient time for the callers to fully express their views. Ms LAU was concerned whether this was indicative of CRHK's endeavour to restrict the freedom of expression and whether BA would initiate any regulatory action.

43. C for T&EL advised that as the regulator, BA did not pre-censor any programmes. One of BA's main functions was to secure the proper broadcast content standards. She pointed out that this referred to those contents which were put "on air". BA however had no jurisdiction to deal with complaints about how the sound broadcasting licensee arranged for callers to speak on air because this mainly related to prior logistic arrangements for the programme. However, if in the course of a personal view programme, a caller had not been given sufficient opportunity to respond, then, he or other persons could lodge a complaint against the sound broadcaster with BA.

44. Given that one of the prime concerns of a commercial entity was to seek ways to maximize profit, Ms Emily LAU considered that CRHK's decision to terminate its contract with Mr WONG Yuk-man was not in line with general commercial principles as it had sacked a popular host and put an end to a popular programme. Recalling that many people had indicated their support for CRHK during its licence renewal in 2003, Mr LEUNG Kwok-hung expressed disappointment that CRHK had subsequently terminated the service of a number of popular hosts of personal view programmes notwithstanding that their programmes were well-received and yielded considerable advertising revenue. He was concerned whether BA would investigate into the matter as apparently, the broadcaster had deviated from commercial principles.

45. In response, C for T&EL recapped that BA was an independent statutory body established under the Broadcasting Authority Ordinance (Cap 391) for the regulation of the broadcasting industry. It had to act in accordance with the relevant legislation, licence conditions and the Codes of Practice on Programme and Advertising Standards. None of these governed the hire and fire of programme hosts and BA could not therefore interfere with the licensee's decision in the selection of programme hosts, nor to make conjectural comments on the underlying intention of such a decision.

#### Services of sound broadcasting licensees

46. While agreeing that BA should not interfere with the personnel matters of individual licensees, the Deputy Chairman considered that in CRHK's case, BA should at least state its concern about the unusual changes in programme hosts. The Deputy Chairman said that there was a drop of about 200 000 listeners to CRHK's phone-in programme between 8:00 am to 10:00 am each weekday as compared to the past when he was the programme host. He considered that the drastic drop in listenership was an indication that the radio frequency spectrum assigned to the licensee had not been put to effective use. As such, BA should have requested an explanation from CRHK.

47. In response, C for T&EL advised that BA conducted regular public surveys on the overall performance of television and radio broadcasting licensees. Furthermore, BA would consider applications for licence renewal with regard to public views, the licensees' performance in respect of their compliance with the relevant statutory requirements, licence conditions, Codes of Practice and the quality of service. Nevertheless, C for T&EL undertook to relay the Deputy Chairman's concerns to BA.

Admin

48. The Deputy Chairman did not subscribe to the Administration's explanation. He considered that as radio frequency spectrum was a scarce public asset, the licensees had a public responsibility to make the most effective use of the assigned spectrum. The BA should intervene any time during the licence period if a licensee had not discharged its public responsibility effectively. Ms Emily LAU also agreed that BA should have at least raised its concern about

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the drastic drop in listenership. C for T&EL recapped BA's statutory functions and in response to concerns about the broadcasting services of licencees, undertook to provide the findings of the surveys conducted by BA for Members' reference.

49. Mr Abraham SHEK referred to the Administration's view that the existing mechanism on licence renewal would ensure that the services provided by the licensees lived up to the standards and expectations of the community (paragraph 10 of CB(1)2103/04-05(03)) and pointed out that a drastic drop in listenership was already an indicator that the licensee had not measured up to public expectations.

50. In this regard, C for T&EL explained that BA would only recommend the renewal of a sound broadcasting licence if it was satisfied with the licensee's future investment commitment, compliance with the relevant licence conditions and Codes of Practice, and past performance in terms of the quality of service (after taking into account public views). BA would continue to monitor the performance of the licensees after licence renewal. So far, BA noted that CRHK had acted in compliance with relevant licence conditions and Codes of Practice. On complaints against CRHK's services, the Assistant Commissioner for Television and Entertainment Licensing (Broadcasting) informed members that last year, there were six substantiated cases.

CRHK's senior management

51. Ms Emily LAU sought information on changes, if any, in the directorship of CRHK. The Chairman also asked whether there had been any changes in the senior management or shareholders/beneficial owners of CRHK in the past 24 months.

52. In response, C for T&EL advised that according to one of the licence conditions, CRHK was required to notify BA of the particulars of every change of or addition to the persons who were directors. She confirmed that while there were changes in principal officers/directors in the corporation, she was not aware of any change in CRHK's shareholding structure in the past 24 months. The Deputy Chairman however said that as far as he knew, there was a change in the shareholders of CRHK.

53. The Deputy Chairman was concerned whether BA would take into consideration the qualifications and moral integrity of the senior management staff of licencees as these persons were vested with the responsibility to manage the radio station. For example, he questioned whether a person with a record of alleged misconduct such as sexual harassment should be appointed to head a radio channel. Mr LEUNG Kwok-hung also pointed out that senior management staff with a bad reputation would have a negative impact on the programme standards of the radio broadcaster. In response, C for T&EL advised that pursuant to the statutory provisions and licence conditions, principal

officers of a broadcasting licensee must meet the relevant "fit and proper person" criterion.

Others

54. As CRHK had declined to send representatives to attend the meeting, the Deputy Chairman asked whether BA or C for T&EL could approach CRHK and advise it to meet with the Panel and to give its views. In response, C for T&EL noted the Deputy Chairman's request but advised that it was entirely a matter for CRHK to decide whether or not to accept the Panel's invitation to attend the meeting.

**III Any other business**

55. There being no other business, the meeting ended at 7:10 pm.

Council Business Division 1  
Legislative Council Secretariat  
22 September 2005