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Ref : CB1/PL/ITB/1

Panel on Information Technology and Broadcasting

**Minutes of special meeting
held on Thursday, 17 May 2007, at 2:30 pm
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Albert Jinghan CHENG (Chairman)
Hon SIN Chung-kai, JP (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Albert CHAN Wai-yip
Hon Ronny TONG Ka-wah, SC
- Members attending** : Hon Margaret NG
Hon LEE Wing-tat
Hon Alan LEONG kah-kit, SC
Dr Hon Fernando CHEUNG Chiu-hung
Hon TAM Heung-man
- Member absent** : Dr Hon LUI Ming-wah, SBS, JP
- Public officers attending** : Agenda Item I

Mr Francis HO
Permanent Secretary for Commerce, Industry and
Technology (Communications and Technology)

Mr Kevin CHOI
Principal Assistant Secretary for Commerce, Industry
and Technology (Communications and Technology) A

Mr CHU Pui-hing
Director of Broadcasting
Radio Television Hong Kong

Ms Clara LI Siu-mei
Deputy Head (Corporate Communications Unit)
Radio Television Hong Kong

Attendance by invitation : Agenda Item I
Committee on Review of Public Service Broadcasting

Mr Raymond WONG, SBS

Mr CHAN King-cheung

Professor Judy TSUI

Professor LEUNG Tin-wai

Ms May FUNG

Mr Mathias WOO

Clerk in attendance : Miss Erin TSANG
Chief Council Secretary (1)3

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Ms Annette LAM
Senior Council Secretary (1)3

Ms Guy YIP
Council Secretary (1)1

Ms May LEUNG
Legislative Assistant (1)6

Action

I. Review on public service broadcasting

(LC Paper No. CB(1)1584/06-07(01) -- Paper provided by the Administration

LC Paper No. CB(1)1258/06-07 -- Report on Review of Public Service Broadcasting in Hong Kong issued by the Committee on Review of Public Service Broadcasting (March 2007)

LC Paper No. CB(1)1259/06-07(01) -- Summary of recommendations in the Report on Review of Public Service Broadcasting in Hong Kong

LC Paper No. CB(1)1259/06-07(02) -- Transcript of the Secretary for Commerce, Industry and Technology speaking to the media on the report submitted by the Committee on Review of Public Service Broadcasting on 28 March 2007

LC Paper No. CB(1)1259/06-07(03) -- Press release on the Report on Review of Public Service Broadcasting in Hong Kong issued on 28 March 2007

LC Paper No. CB(1)1637/06-07(01) -- Executive Summary of the "Report on the Study of Public Service Broadcasting for Hong Kong" issued by the Panel)

The Deputy Chairman took the chair prior to the Chairman's arrival. He said that the purpose of the special meeting was to receive a briefing from the Committee on Review of Public Service Broadcasting (the Review Committee) on the findings of its report (the Report) submitted to the Chief Executive (CE) on 28 March 2007 and also to consider a staffing proposal from the Administration for creation of a supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) for a period of 12 months to undertake follow-up work in relation to the Review Committee's Report. Subject to members' views, the Administration planned to submit the staffing proposal to the Establishment Subcommittee for

consideration on 13 June 2007 and to the Finance Committee for approval on 6 July 2007. On behalf of the Panel, he expressed condolence for the passing of Mr PAO Wan-lung, a Review Committee member, in November 2006.

Remarks by the Chairman of the Review Committee

2. At the invitation of the Deputy Chairman, Mr Raymond Wong, Chairman of the Review Committee, said that the Report's findings and recommendations were the result of 14 months' research, review, consultation with locals as well as overseas experts, and thorough deliberations. Having submitted the Report to the CE on 28 March 2007, the Review Committee was disbanded the same date as its work had completed. The Review Committee had put forth recommendations on the governance structure, accountability measures, funding arrangements, and programming for a public service broadcasting (PSB) regime which was considered most suitable to Hong Kong, taking into account of international best practice and the unique local environment. The Review Committee also anticipated that the Report would generate a myriad of comments and reaction from various sectors of the community and stakeholders of public broadcasting. In this connection, Mr WONG said that the Administration was studying the Report in detail, and was expected to issue a consultation paper in the second half of 2007 to gather public opinions on the way forward. He remarked that the Review Committee knew well that the Report would not be considered as cast in stone and therefore unchangeable. On the contrary, the Review Committee hoped that the Report would receive the widest community attention and deliberations covering the entire spectrum of subject matters contained in the Report. The Review Committee considered that only with the full participation of the public through open and rational debates would a genuine home-grown PSB model emerge which was tailor-made to best serve the interests of the Hong Kong community.

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

3. PSCT said that the Administration would issue a public consultation paper in the second half of 2007 setting out the Administration's views on the way forward in the light of the recommendations of the Review Committee and other relevant reference materials including the Report on Review of Public Service Broadcasting in Hong Kong issued by the Panel, views expressed by the public and Legislative Council members. The Administration would widely engage all stakeholders and the community at large to express their views and deliberate the issues involved. He stressed that the Administration would take a decision only after a full and comprehensive public consultation.

4. In this connection, D of B said that Radio Television Hong Kong (RTHK) welcomed the Government's initiative to conduct a comprehensive PSB review in Hong Kong in order to map out the future development. He also agreed that the community should be widely engaged in rational discussions on this matter. On

the Review Committee's recommendation of setting up a new independent public broadcaster, he remarked that the stance of RTHK was that the best way forward was for RTHK to transform into a public broadcaster.

Discussion

The Review Committee's recommendation relating to Radio Television Hong Kong

5. Mr Albert CHAN remarked that RTHK had been under scathing attacks by the so-called patriots for criticizing the Government, and he recapped that the corporatization of RTHK which was widely debated during the 1990s had been shelved because of political consideration. As such, he said that the general public had a strong feeling that the Review Committee was appointed for political reasons to accomplish a political mission to rein RTHK in under the name of a PSB review, a political mission which he opined had been accomplished judging from the Review Committee's recommendations of the setting up of a new independent public broadcaster.

6. At this juncture, the Chairman arrived at the meeting and took the Chair.

7. Professor LEUNG Tin-wai expressed disappointment on Panel member's doubt on the Review Committee's independence and impartiality. He stressed that the Review Committee comprised independent-thinking individuals of integrity who had conducted the review with the overall interest of the Hong Kong community at heart. Mr Mathias WOO also supplemented that the Review Committee had made specific and practical recommendations on the structure, funding, governance, programming, monitoring and accountability of PSB. He called on members to focus the discussion on the Review Committee's recommendations instead of dwelling on perception and feelings.

8. Mr Ronny TONG remarked that the role and future of RTHK was of great public concern and hence the focus of members on this issue. He then sought clarification on whether the Review Committee had ever conducted extensive consultation and open discussions before coming up with the recommendation against the transformation of RTHK into a public broadcaster as stated in its Report.

9. Mr Mathias WOO affirmed that public engagement and consultation, being a vital part of the review process, had been conducted to seek views of various sectors of the community. The Review Committee had also met with the RTHK Programme Staff Union (Staff Union) and the RTHK management, stakeholders in the broadcasting industry, academics from local tertiary institutions, as well as representatives from various concern and interests groups. A full list of the groups/organizations and individuals which/whom the Review Committee had met with and invited views from had been set out in Appendices 2 and 3 to the Report.

10. In this respect, noting that the Review Committee held that the role and future of RTHK was outside the Review Committee's terms of reference (TOR), Mr Ronny TONG sought explanation on the apparent inconsistency in which the Review Committee had made a conclusion in its Report that RTHK's status, structure and corporate culture as a Government department was not conducive to the start-up of a new public broadcaster. Given that the Government had stated clearly that extensive public consultation would be conducted to seek public views on the way forward, Mr TONG questioned whether it was appropriate for the Review Committee to put forth such recommendation which could pre-empt the Government position in the future public consultation.

11. Echoing Mr Ronny TONG's views, Ms Emily LAU also queried the logic and the basis of the Review Committee's conclusion. She said that her reading of paragraphs 95, 96 and 97 of the Report was that members of the Review Committee were contradicting themselves. While saying that an examination of RTHK's role was outside its TOR at paragraph 95, the Review Committee nevertheless advised against the transformation of RTHK into a public broadcaster on the ground of "practical and insurmountable problems" at paragraph 96. She questioned what the "insurmountable problems" were. Mr LEE Wing-tat was also concerned that the brief account on the role of RTHK given by the Review Committee in its Report from paragraphs 87 to 97 was not sufficiently in-depth to substantiate its conclusion against the transformation of RTHK into a PSB.

12. In response, Mr CHAN King-cheung remarked that in the course of examining whether there was a genuine need for PSB in Hong Kong and how best to deliver PSB services, the issue on the role of RTHK would inevitably come up as it was the only publicly-funded broadcaster in Hong Kong at this moment. He stressed that the Review Committee did examine in detail the option of transforming RTHK into a public broadcaster. However, after consultation and deliberations, the Review Committee considered that the requisite change in RTHK's status, structure and entrenched corporate culture as a Government department would be of such a magnitude that the change process would be fraught with practical problems and difficulties, and therefore the transformation of RTHK into a new public broadcaster was not recommended. Mr CHAN said further that the Review Committee had faced a dilemma in that while making any recommendations on the future of RTHK would be beyond the Review Committee's TOR, not doing so might give a wrong impression that the Review Committee had intentionally dodged the issue. The Review Committee had therefore, within its permitted purview, briefly outlined in the Report the problems and difficulties identified, such as the status, structure, corporate culture of RTHK as a Government department, the drastic changes to the manpower structure and staff employment terms, and the mixed views of RTHK staff to the prospect of a change in their existing civil servant status, etc. He highlighted that no elaboration was made on the problems of transforming RTHK into a public broadcaster because any detailed analysis would turn the PBS review into a review of the role and future of RTHK, which clearly would not be commensurate with the Review Committee's mandate. As to what role the Government might assign to

RTHK as a Government department following the formation of a public broadcaster, Mr CHAN said that this issue was outside the Review Committee's purview and would be left to the Government.

13. Mr Mathias WOO supplemented that the Review Committee's mandate was to examine whether there was a need for PSB and if yes, to recommend the ways and means of how PSB might best serve the people of Hong Kong. As such, the Review Committee considered that it was its responsibility to state the view that the establishment of a new public broadcaster with a fresh start was preferable to the transformation of RTHK since problems were bound to arise due to RTHK's status and corporate culture as a Government department. Professor Judy TSUI also added that from the modern management and governance point of view, the Review Committee felt strongly that for a PBS to start afresh from a clean sheet of paper would best serve Hong Kong's interests.

14. Dr Fernando CHEUNG commented, however, that he could not comprehend the Review Committee's logic of not including the review of RTHK's future when reviewing PSB in Hong Kong, given that RTHK was the only publicly-funded broadcaster in Hong Kong. Echoing the views of other members, he reiterated the query as to why the Review Committee, without examining how the existing operation of RTHK could be transformed into a public broadcaster, had instead recommended the setting up of a completely new PSB regime. Such a way of handling the review gave the public an impression that there was a pre-determined stance to make use of the review to either dry up RTHK or force it to succumb to Government's pressure while begging to become the public broadcaster.

15. In response, Mr Raymond WONG clarified that RTHK was not the only public broadcaster in Hong Kong. In fact, Hong Kong had no independent public broadcaster at present. Referring to Appendix 14 to the Report, he noted that local commercial free TV broadcasters (i.e. Asia Television Limited and Television Broadcasts Limited) and sound broadcasters as well as pay TV broadcasters such as Cable TV were required by the licence to comply with positive programmes requirements and had produced more PSB-like programmes than RTHK did, because of the latter's limited capacity. Mr WONG regretted that to repeatedly misconstrued the review as a conspiracy with a hidden agenda to fix up RTHK was an insult to the integrity and independence of the members of the Review Committee.

16. While noting that other commercial broadcasters had produced a stipulated minimum amount of PSB-like programmes in specified periods of time within a broadcast cycle, Dr Fernando CHEUNG maintained that the often-held public perception was that RTHK was the key, if not the sole, public broadcaster in Hong Kong. He pointed out that the programmes produced by RTHK past and present were quality productions with demonstrated editorial independence and were much treasured and well received by the community at large. He therefore remained unconvinced and considered that the Review Committee had not fully addressed his

initial query as to why a review of PSB in Hong Kong could justifiably exclude a review of the role and future of RTHK. He also held that if it was not the mandate of the Review Committee to review RTHK, the Review Committee should then delete its recommendation relating to RTHK as stated in paragraph 96.

17. Sharing a similar view, Mr Ronny TONG also called on the Review Committee to seriously consider taking back its recommendations as set out at paragraphs 95 and 96. In this connection, he recapped the inconsistencies he observed among members of the Review Committee: while Mr CHAN King-cheung said that the Review Committee did not have the mandate to review the future of RTHK, Mr Mathias WOO said that the Review Committee had made a sensitive decision; on the other hand, Mr Raymond WONG said that the Review Committee's recommendation was only a proposal for consideration by the Government and the public. Mr TONG said that these conflicting views reflected that there was no consensus in the Review Committee and that its conclusion was premature and was arrived at lightly. Mr LEE Wing-tat also noted that members of the Review Committee seemed to have contradicted each other on how the Review Committee had come to its conclusion against the transformation of RTHK into a public broadcaster.

18. In response, Mr Raymond WONG stressed it was not unusual that the six members of the Review Committee would have different views. Yet, there was no contradiction among the members, and the Review Committee's proposal as stated in the Report represented a consensus view arrived after extensive research, wide consultation and careful deliberation. He reiterated that the Review Committee's proposal could be revised, trashed or adopted by the Government and the public as they saw fit. Professor LEUNG Tin-wai supplemented that there was no question of internal conflict among Review Committee members. He emphasized that the Review Committee's recommendation was made after careful deliberation.

19. Mr Mathias WOO also refuted Members' accusation that the Review Committee's recommendation was made lightly without any solid basis. He remarked that Members' skepticism about the Review Committee's independence and impartiality was grossly unfair to the Review Committee, which had virtually devoted much time and effort to the review. He reiterated that it was natural that the Review Committee's proposal would draw mixed and divergent views, and he urged those who supported the transformation of RTHK to put forward concrete proposals on how the transformation could be effected for deliberative discussion.

20. Mr Jasper TSANG remarked that issues relating to the role and future of RTHK were not totally unrelated to a PSB review. He opined that although RTHK might not be entirely fit for the Review Committee's version of an ideal PSB, the Review Committee could not totally disregard the public sentiment in RTHK as being the key provider of PSB programmes. He stated further that to be fair to RTHK, in addition to pointing out the inherent limitations of RTHK, the Review Committee should have provided a more balanced view by also mentioning the strengths and assets of RTHK that might be productively deployed in the

transformation process to facilitate the Government's thorough consideration on the way forward of the issue.

21. In response, Professor Judy TSUI said that the Review Committee was fully cognizant of the professional expertise of the RTHK staff and had therefore recommended that the Board and management of the future public broadcaster should draw on the vast reservoir of talent, experience and expertise of RTHK staff. Nevertheless, Mr Jasper TSANG added that RTHK, with its long history of serving the people of Hong Kong, was a valuable public asset much treasured by the Hong Kong people. Apart from its staff, RTHK had built up its own brand name and a substantial archive of radio and TV programmes of high historical and cultural value that should not be disregarded.

22. While acknowledging RTHK as a valuable public asset, Professor Judy TSUI reiterated that RTHK's present status and structure as a Government department did not match the requirements of an independent bona fide public broadcaster in full. She stressed that it was up to the Government and the public to consider and decide whether the ideal PSB model which was made reference to international best practice as proposed by the Review Committee would serve the best interests of the Hong Kong community.

23. In this regard, Mr LEE Wing-tat referred to the establishment of the Hospital Authority (HA) from the former Hospital Services Department in the late 80s and early 90s, and remarked that the transition, though difficult, had been successfully achieved with the core staff transferred within a reasonable period of time. As such, he said that he could not see how the transformation of RTHK into a public broadcaster, which involved a much smaller scale, would lead to difficulties that were insurmountable, and hence not recommended by the Review Committee.

24. In response, Mr Mathias WOO said that the Review Committee did make reference to the HA's experience. He pointed out, however, that the transformation of RTHK into a public broadcaster was not a straightforward matter involving simply a change in staff employment terms, but was actually a politically sensitive issue that would naturally draw mixed and divergent views. Any recommendations made by the Review Committee to either favour or against the transformation of RTHK into a public broadcaster would draw both support and objection from different quarters of the community. As such, the Review Committee considered that it was its responsibility to state what the Review Committee regarded as the best PSB model for consideration by the Government and the public. In this connection, Ms Emily LAU opined that as the Review Committee had already made reference to the case of HA before arriving at its recommendation against the transformation of RTHK into a public broadcaster, it would be desirable for the Review Committee to provide information which it had made reference to, with particular respect to the problems arisen during the transformation process of HA for reference by members and the public.

25. Mr CHAN King-cheung also remarked that the issue on corporatization of RTHK had been discussed in the 80s but without any progress because of the associated problems, which were substantial. As such, the Review Committee had made its break-through proposal to set up a new independent public broadcaster, an early implementation of which was viable within a reasonable period of time. He stressed that the submission of the Review Committee's Report with the recommendations contained therein (such as those relating to RTHK) was not the end of the process. It would be followed by wide consultation to be launched by the Government.

26. In this respect, Mr SIN Chung-kai opined that members of the Review Committee who were mainly media experts had provided an idealistic version of the PSB regime which to a large extent was similar to that of the Panel's report on the study of PSB, except that the Review Committee was against the transformation of RTHK into a public broadcaster. Sharing other members' views, he also observed that apart from a brief account of its conclusion against the transformation of RTHK, the Review Committee had not conducted any detailed analysis of the pros and cons of a transformation, and had therefore failed to present to the public all the possible choices including the transformation option for objective deliberation. He was concerned that the Review Committee's recommendation would give the public an impression that the Government would fold up RTHK, thus pre-empted the Government position. He held the view that a more neutral and impartial way was for the Review Committee to state all the options available as a basis for consideration and deliberation by the Government and the public.

27. Ms Margaret NG also considered the Review Committee intellectually dishonest in arriving at a conclusion without undertaking sufficient discussions and consultation. She regretted that members of the Review Committee who were respected professionals and experts in the media and broadcasting fields had not exercised due care to safeguard their image of independence and impartiality. Despite the Review Committee's claim that its proposal was to bring forth public discussions on the future of PSB in Hong Kong, it had pre-set the scope of discussion by its conclusion in paragraph 88 that the status and structure of RTHK allowed no room for a bona fide PSB, and also by its conclusion in paragraph 96 that the Review Committee did not favour the transformation of RTHK into a public broadcaster. She was of the view that the Review Committee should have provided objective and balanced views on all options available, and set out the strengths and weaknesses of RTHK in becoming a public broadcaster as one of the options for public discussion and consideration.

28. Mr Raymond WONG remarked that as the Review Committee had reiterated on many occasions, the Review Committee's recommendation was a proposal put forward by the Review Committee after extensive study and careful deliberation. It was not cast in stone and did not represent the Government's position. The Government would subsequently conduct a thorough consultation before deciding the way forward. PSCT also stressed that the Review Committee's recommendations did not represent the Government's views on PSB.

He assured that the Government, after a thorough study of the Review Committee's Report and having regard to views expressed by the public and LegCo members, would formulate its own views on the way forward for public consultation in the second half of the year.

Public purposes of PSB

29. Referring to paragraphs 73 to 78 of the Report on the four public purposes of PSB, Mr Howard YOUNG sought elaboration on the public purpose as stated in paragraph 75 which related to the fostering of social harmony. He asked whether in the eyes of the Review Committee, "fostering social harmony" would mean no public discord in the community, no criticisms of the Government, and acting as Government's mouthpiece. In response, Mr Raymond WONG clarified that fostering social harmony should not be taken in its narrow sense of having no disputes and quarreling in the society. Rather, it should be taken to mean promoting pluralism, providing a platform for all voices and different opinions, as well as encouraging rational debates.

International best practice

30. On international best practice of PSB, Ms Emily LAU sought elaboration on the Review Committee's study of overseas models and whether international experts were engaged in discussions focusing on whether or not RTHK should be transformed to become a public broadcaster. She noted that there was no reference in the report to substantiate the Review Committee's claims that international experts had supported the Review Committee's recommendation against the transformation of RTHK.

31. Professor Judy TSUI said that the Review Committee's recommendation on what it considered to be international best practice was made after a thorough study and objective analysis with reference to overseas PSB experience. To bring in an international perspective, the Review Committee had convened a four-day International Conference on PSB in Hong Kong in mid-June 2006 at which experts from Australia, Germany, Japan, the United Kingdom and the United States shared their PSB experience in open forums and panel discussions. While the Review Committee recognized the significant contribution of RTHK in its role as a public broadcaster and its strong brand name in the production of quality programmes, the Review Committee was mindful of RTHK's status, structure and corporate culture as a Government department which in essence was very different from the international model of a statutory public broadcaster with public accountability arrangements based on a specific mandate. The Review Committee was also concerned whether and how RTHK, being a Government department for almost 80 years, could be perceived as truly independent of the Government. Professor TSUI added that the Review Committee had recently received a letter from one of the experts affirming the Review Committee's break-through proposal of setting up a new independent statutory public service broadcaster.

32. D of B remarked, however, that the history of broadcasting industry showed that many internationally renowned independent public service broadcasters were evolved from either government or semi-government broadcasting set-up in the 70s and 80s. He said that as far as he knew, all overseas public broadcasters, except the British Broadcasting Corporation (BBC) of the United Kingdom which was independent from the outset, were evolved from former government or semi-government broadcasting organizations through corporatization by way of legislation. Such examples included the PSB of France which went through a long transformation process, as well as the KBS of Korea. He added that he was not aware of any case to the contrary.

33. In this regard, Miss TAM Heung-man expressed concern that it was confusing while the Review Committee said that their recommendation not favouring the transformation of RTHK was based on the international best practice and yet according to D of B, the reality was almost all existing public service broadcasters were evolved from either a government or semi-government broadcaster.

34. In reply, Professor Judy TSUI explained that as pointed out by D of B, the process for a government or semi-government organization to evolve into a statutory independent public broadcaster, as in the case of France, could be a very long process. As there was no dispute that Hong Kong had a genuine need for an independent statutory public broadcaster, and taking into account the question of efficiency, the Review Committee therefore considered it in Hong Kong's best interest that a new statutory public broadcaster with its principles of universality, diversity, independence and distinctiveness should be set up as soon as practicable. She stressed that an attempt at a new initiative should not be barred by a lack of precedent. She remarked that the Government and the public would have to consider the pros and cons, including whether they preferred an early implementation of PSB through the establishment of a new independent PSB that could be viable within a reasonable period of time, or a long process of transformation from the existing government funded broadcaster into a new independent statutory PSB.

35. Mr Matthias WOO added that care should also be taken in making reference to an international best practice as different countries operated different PSB models. While Europe and the USA operated a number of different models that existed in parallel, the BBC of the UK, which was a global public broadcaster targeted at audience worldwide but not just the UK, was very different from Channel 4 of the UK which was a government investment vested with PSB functions.

36. Noting that different overseas PSBs had evolved along different paths to become independent public broadcasters, Miss TAM Heung-man called on the Administration to listen sensitively to the views of all interested parties so that through healthy debates and wide public consultation, the future local independent public broadcaster to be set up could genuinely uphold the principles of freedom of

speech and editorial independence.

37. Professor Judy TSUI remarked that the Review Committee also hoped that the Report would generate rational debates which led to the formation of a PSB regime for Hong Kong in line with international best practice that would fulfill the specific functions of PSB to inform, educate, and entertain while upholding the freedom of the press and speech.

Limitations and strengths of RTHK

38. Noting the Review Committee's assessment that RTHK, by virtue of its status and structure as a Government department, was neither a bona fide public broadcaster nor was it appropriate to be transformed into a public broadcaster, Miss TAM Heung-man and Ms Margaret NG invited D of B's comments on the observations made by the Review Committee on the limitations of RTHK.

39. D of B said that as no one organization was perfect, RTHK was fully aware of its inherent limitations as a Government department and would keep an open mind to criticisms. He nevertheless regretted that as far as the role of RTHK was concerned, the Review Committee seemed to have focused on the negative side and just briefly mentioned the possible problems that could arise from the transformation without making any detailed analysis. Neither had the Review Committee examined the problems if RTHK was not transformed into a public broadcaster. D of B said that RTHK had made its best efforts during the past 80 years to serve the public well by its quality radio and television programmes which had won many international awards. RTHK had consistently been ranked first among the local electronic media and also scored the highest marks in terms of media credibility among all local media in surveys conducted by academic institutions. He was pleased to note members' recognition of RTHK contribution as a public broadcaster and their concern about protecting RTHK's editorial independence and preserving RTHK's reputation as producer of quality programmes much treasured by the community of Hong Kong. He pointed out further that technological advances and the digitalization of media technologies would release additional spectrum, bringing about a proliferation of programme channels. A new independent public broadcaster as a late market entrant would then have to face intense competition to build up its credibility and audience, a process which eventually might take a longer period of time than the transformation of RTHK. He therefore stressed that RTHK's hard-earned credibility and wide public acceptance would stand RTHK in strong stead in assuming the role of a public broadcaster.

40. In further response to Ms Margaret NG's enquiries as to whether RTHK could competently fulfill the specific purposes of a public broadcaster, D of B said that the current status of RTHK could be confusing to the public as financially it was Government-funded while editorially and in terms of programming decision it was independent of the Government. He said that although the Framework Agreement stipulating RTHK's editorial independence had been effective so far, it

was after all fragile in the sense that it was merely an administrative document. He believed that for the future PSB, editorial independence and freedom of speech enshrined in the legislation could provide better safeguards.

41. In this regard, D of B remarked that developing countries in the region such as Malaysia, Indonesia and Maldives had already been working on corporatization of their existing government broadcasters into independent public service broadcaster. He recalled that the PSB review had been conducted in late 80s and early 90s with the main focus on how RTHK could become independent of the Government. Concrete proposals had actually been put forth on the ways and means of corporatizing RTHK by way of legislation touching on the governance structure, staffing and funding arrangements. Regrettably, the proposal was not pursued in 1991-92.

Views of RTHK's staff on the future of RTHK

42. Referring to the presence of some members of the Staff Union at the public gallery of Conference Room A, Ms Emily LAU said the Review Committee's recommendations as contained in the Report had aroused grave concern among the RTHK staff as their job security was at stake. She enquired whether the Review Committee had sought the views of the Staff Union on the future of RTHK.

43. Mr CHAN King-cheung replied that the RTHK staff had mixed views to the prospect of a change in their existing civil service status, with the majority of the respondents to a survey conducted by the Staff Union in March 2006 expressing a clear wish to preserve their existing civil servants employment terms.

44. Ms Emily LAU sought clarification on whether the Review Committee had actually discussed the specific concerns of the RTHK staff with the RTHK's management and Staff Union direct, or had just relied on the findings of the Staff Union's survey report.

45. In response, Professor LEUNG Tin-wai informed that during consultation conducted at the early stage of the review, the Review Committee had met with the Staff Union twice and with the RTHK management on four occasions. He said that RTHK staff indeed had divergent views towards the hiving off of RTHK from the Government.

46. In this regard, Miss TAM Heung-man invited D of B to comment on RTHK staff's and management's views on the future of RTHK. In response, D of B advised that RTHK had about 300 non-civil service contract staff and about 600 civil servants, of whom about 300 were of departmental grades and the remaining 300 were mostly general grades clerical staff. He said that the March 2006 survey did draw mixed responses from staff. However, on balance, more staff members supported the option of hiving off. He pointed out further that in the absence of specific proposals on the terms of hiving off at the time of the survey, some staff members considered it premature to indicate their preference and therefore had not

responded to the survey. He believed that a survey with more concrete proposals on the terms of hiving off would draw responses that would be more indicative of staff's sentiment. As regards the RTHK management, D of B said that the management's present focus of discussion was mainly on how the RTHK's organizational structure, governance regime, and financial framework could be strengthened to facilitate the transformation into a public broadcaster.

47. In this connection, the Chairman reminded members that a special meeting had been scheduled for 29 June 2007 at 10:45 am for the Panel to receive views from deputations including the Staff Union, academics and industry players on the subject. Ms Emily LAU hoped that members of the Review Committee could also attend the special meeting to listen to the views from deputations on this subject.

Public consultation by the Administration

48. Noting that the scope of work of the D2 supernumerary post for a period of 12 months as proposed by the Administration to undertake follow-up work of the Report did not cover the review of the future of RTHK, Ms Emily LAU sought clarification as to whether the issue on the future of RTHK would be included in the public consultation exercise to be conducted by the Administration in the second half of the year. PSCT stressed that the job description of the proposed post and the content of the public consultation were two separate issues. Nevertheless, he remarked that the consultation paper to review the future development of PSB in Hong Kong would inevitably touch on the issue of who would be the provider of PSB services and the question associated with the role and future of RTHK. He stressed that the Administration was open-minded on the future development of PSB and the future role of RTHK, and the consultation document would set out the Administration's views on the way forward, covering all the major issues involved including the policy and role of PSB, as well as the arrangements on governance, accountability, funding, programming and performance evaluation.

49. Mr Jasper TSANG also sought clarification as to whether the Government would, in view of the Review Committee's recommendation, exclude from the public consultation the option of RTHK's transformation into a public broadcaster. Sharing similar concern, Ms Margaret NG enquired whether the public consultation to be conducted by the Administration would be based solely on the Review Committee's recommendations, or whether the transformation of RTHK would be included as one of the options for consideration.

50. In response, PSCT stressed that the submission of the Review Committee's Report to the CE should not be taken as the Government's acceptance of the recommendations made therein. He reiterated that the Government would make reference to the Report as well as to all other relevant materials to conduct a comprehensive consultation on the way forward. He also assured members that the Review Committee's recommendations would not constitute undue pressure on

the Government in one way or the other.

51. Noting that the Administration's timetable was to conduct public consultation in the second half of 2007, Mr LEE Wing-tat enquired whether the Review Committee would consider holding additional open forums to continue the discussion on the subject. In reply, Mr Mathias WOO said that in accordance to the appointment made by the CE, the tenure of the Review Committee had ended upon the completion and submission of the Report.

52. Referring to the Review Committee's standpoint that its recommendations were intended to set forth wide public discussion on PSB and, subject to the outcome of the consultation, could be changed or discarded, Miss TAM Heung-man urged the Administration to take note of the Review Committee's standpoint, as well as Members' views and concerns, and to seek the views of the staff and management of RTHK so that the feasibility of reconstituting RTHK into an independent statutory public broadcaster could be seriously looked into. She added that instead of simply folding up RTHK, the feasibility of transformation of RTHK into a public broadcaster should also be considered in the public consultation.

Public access channels

53. Mr Albert CHAN said that the development of Hong Kong's broadcasting industry was very backward as compared with the booming financial industry which had received much Government support. Not only did Hong Kong lag behind other advanced overseas jurisdictions, it was even more backward than some Southeast Asian countries. Despite the global trend of introducing public access channels to cater to the needs for direct public participation by religious groups, cultural groups, political parties, ethnic minority groups and the underprivileged, the Government had done nothing of significance in this regard. He asked what measures, if any, the Review Committee had recommended to the Government to allow and encourage direct public participation in broadcasting programme production.

54. In response, Mr Raymond WONG clarified that the Review Committee was charged with reviewing and making recommendations on PSB, which was different and separate from the issue of public access channels as raised by Mr Albert CHAN. Professor LEUNG Tin-wai supplemented that the setting up or otherwise of public access channels was outside the Review Committee's TOR. Mr Mathias WOO also added that whether and how to provide public access channels was not within the purview of the Review Committee and should be determined by the future new regulatory regime – the proposed Communications Authority (CA). Nevertheless, he agreed with Mr Albert CHAN that the licensing regime of the broadcasting industry was quite outdated as evidenced by the limited number of broadcasting stations in Hong Kong. He remarked that with the digitalization of media technologies and hence the additional spectrum thus released, more channels would be available for broadcasting. The Government could no longer use the limited

spectrum as the pretext to delay the opening up of airwaves for public access. He also held that to tackle the root problem of Hong Kong's broadcasting industry, attention should be focused on how the regulatory and licensing regime of the future CA would revamp the broadcasting policy.

55. In this respect, Professor Judy TSUI shared with the meeting that the Review Committee had attached great importance to public participation, and the corporate governance structure of PBS proposed by the Review Committee was drafted with enhanced public participation very much in mind. She elaborated that the Review Committee recommended that the PSB Board should comprise three categories of members, namely members with industry/professional experience, ex-officio members, and lay members. As regards members with industry/professional experience, the Board should have at least one person from each of the nine fields including the media, journalism, education, arts and culture, technology, legal, accounting and finance, management, as well as persons with experience in serving the interests of minorities and/or the underprivileged. To make the recruitment of Board members more transparent and open, the Board vacancies would be advertised. Applications and nominations for appointment to the Board would be considered by a Nomination Committee, which would recommend a nomination list to the Board for endorsement and subsequent submission to the CE for appointment. The nomination list submitted by the Board to the CE must contain at least two names from each of the nine categories of Board membership. The Board should be required by law to publicize the assessment criteria when advertising Board vacancies, and disclose to the public an overall profile of the nominated candidates on the list submitted to the CE. Though the nominees should not be named for privacy considerations, the names and backgrounds of those subsequently appointed by the CE should be announced at the first instance.

Summing up

56. The Chairman thanked the Review Committee members for attending the meeting to exchange views on their findings in the Report. While appreciating the time and great efforts devoted by the Review Committee in conducting the review and preparing the Report, he remarked that it was not fair to the Review Committee to cast doubt on its credibility, impartiality and professional expertise. Noting that the Panel's discussion so far was focused mainly on the role and future of RTHK, and members had not had much opportunity to discuss the Review Committee's other observations on PSB-related issues, the Chairman suggested and members agreed that another special meeting would be held to continue the discussion. In this connection, he asked whether members of the Review Committee would accept the invitation to attend another special meeting.

57. In response, Mr Raymond WONG said that the Review Committee had already disbanded upon the completion of its task. Nevertheless, the Panel's invitation, when received, would be considered. Mr WONG added that as stated in his opening remarks, he hoped that the Review Committee's Report would bring

forth wide community discussion in identifying the best PSB model which best suited Hong Kong's needs and unique circumstances, and he hoped that the public, legislators, and the Administration would consider the Review Committee's Report in its entirety.

II. Staffing proposal

58. In view of the host of complex and controversial issues involved in the public consultation to be conducted by the Administration in the second half of 2007, PSCT called on members' support for the proposed creation of a supernumerary post of Administrative Officer Staff Grade C (D2) post for a period of 12 months to assist the follow-up work.

59. While Mr Howard YOUNG indicated that he had reservation on the staffing proposal, Mr Ronny TONG said that he did not support the proposal.

60. Noting that the major duties and responsibilities as stated in Annex A to the Administration paper (LC Paper No. CB(1)1584/06-07(01)) did not include a review of the future of RTHK, Ms Emily LAU said that she did not support the staffing proposal as it currently stood. She maintained that the Administration could not evade the responsibility over the future role of RTHK in the context of the provision of PSB in Hong Kong. As such, any consultation on the future development of PSB in Hong Kong without a review of RTHK's future would fail to serve its purpose. Ms LAU requested the Administration to resubmit the staffing proposal to include in the job description the review of RTHK's future and also to provide all the relevant background information relating to past discussions on corporatization of RTHK, etc. She suggested that a special meeting, if necessary, be convened to consider the revised proposal.

61. In this connection, Ms Margaret NG pointed out that the option of RTHK's transformation, if included in the consultation, would have different financial implications on the consultation exercise.

62. In response, PSCT stressed that the Administration had no pre-determined stance regarding the future of RTHK (including its transformation or otherwise into a public broadcaster) and the institutional arrangements and governance of PSB. He said that apart from the controversial issue of RTHK, there were a number of important issues such as the arrangements for governance, accountability, funding and programming, etc, that had to be addressed. He pointed out that if the staffing proposal originally scheduled for submission to the Establishment Subcommittee on 13 June 2007 and the Finance Committee for approval on 6 July 2007 was not approved within the end of the 06-07 legislative session, the PSB consultation exercise might be delayed. While he could not at the present stage make any promises or any assumptions that could pre-empt the future consultation, he assured members that the consultation paper to be issued by the Administration would not be constrained by the Review Committee's Report, and the Review Committee's

recommendation against RTHK's transformation into a public broadcaster would not form the basis of the Government's consultation. He maintained that the job description of the proposed post and the content of the public consultation were two separate issues that needed not be linked to each other.

63. The Chairman opined that a review and public consultation on the provision of PSB in Hong Kong would inevitably touch on the issue of RTHK's future. He requested the Administration to take note of members' views and concerns, and give due consideration to the inclusion of RTHK's future in the public consultation. He said further that for the benefit of the public at large, there was general expectation that the public consultation on PSB should commence as soon as practicable. If necessary and subject to members' availability and consent, a meeting would be held to consider the Administration's revised staffing proposal. Meanwhile, he suggested the Administration to consider re-deploying internal resources to undertake the necessary preparatory work pending the creation of the supernumerary post. PSCT took note of the Chairman's suggestion, and undertook to liaise with the Secretariat on meeting arrangements, if necessary.

(Post-meeting note: Members had been consulted vide LC Paper No. CB91)1694/06-07 on their availability for the special meeting to continue the discussion of the staffing proposal relating to PSB. However, the Administration has subsequently informed that it required more time to further and thoroughly re-examine the staffing proposal submitted earlier, including the possible option of re-deploying internal resources. As such, the Administration would not re-submit the proposal at the present stage. The Administration would liaise with the Secretariat at a later stage on the need and timing for re-submission of the proposal to the Panel for deliberation, if considered necessary.)

III. Any other business

64. There being no other business, the meeting ended at 5:10 pm.