

Executive Summary

Broadcasting is often regarded as the most pervasive and powerful instrument to promote the expression of views and core values, as well as to enhance the quality of citizens' life. In the face of the challenges on the economic development of Hong Kong, it is all the more important that residents of Hong Kong do not solely rely on commercial broadcasters to provide the exposure and values that they would need for the betterment of Hong Kong. In many countries, public service broadcasting (PSB) plays an important part in developing citizens' knowledge, broadening their horizons and enriching the quality of life. In Hong Kong, there is no clear policy on PSB. Radio Television Hong Kong (RTHK), a government department undertaking the role of a public service broadcaster, is caught between the need of the community for greater development in PSB, and the concern about the lack of accountability over RTHK's use of public resources and over the editorial independence given to it.

2. In view of the Government's appointment of the Committee on Review of Public Service Broadcasting in Hong Kong (the Review Committee) in January 2006 to undertake a fundamental and critical review of PSB and its future development, the Panel on Information Technology and Broadcasting (ITB Panel) of the Legislative Council (LegCo) has found it necessary to conduct this study on the development of PSB in Hong Kong. The study, which looks into the general philosophy and principles of PSB, aims to provide useful reference to LegCo Members as well as the general public on how PSB can be taken forward in Hong Kong. Apart from setting out and analyzing the key elements and features of a PSB model for Hong Kong having regard to the experiences of major public service broadcasters in other places, this report also provides a summary of the key pointers to facilitate more systematic public discussion on this subject in the years ahead.

Guiding principles for the development of public service broadcasting

3. "Universality", "diversity", "independence" and "distinctiveness" are the internationally recognized core principles of PSB. These principles are also applicable to Hong Kong in its development of PSB. Everyone, irrespective of his income and social status, should have access to diversified

genres of programmes of high quality and distinctiveness, and which are free from political and commercial influences.

4. "Editorial independence" is the most important core value of a public service broadcaster. In the PSB model for Hong Kong, there is a strong concern to ensure that public service broadcaster(s) can operate at an arm's length with the Government and the regulatory authority while remaining accountable to the public.

Key features of a PSB model

Funding

5. The sustainable development of PSB requires public support and the government's preparedness to commit sufficient funding for its development, including the establishment of the necessary the regulatory infrastructure. There should be adequate public resources to support at least one full-fledged public service broadcaster and its long term development.

6. Public service broadcasters overseas derive revenue from various sources. To facilitate discussion, the Panel has outlined a number of options, which include government appropriation in funding cycles of three to five years, matching grants for production of specific programmes to serve particular purposes or needs, commercial sponsorship subject to certain limits to avoid commercial influences or unfair competition with commercial broadcasters, etc.

7. It is necessary to define the public service remit of the public service broadcasters and provide funding support based on their public service mandate and objectives.

Corporate governance

8. To ensure editorial independence, it is important that the programme content is not subject to regulation, but left to the public service broadcasters themselves which should be accountable to the public for the quality of the programmes they provide. A good corporate governance structure will inspire

confidence in the public that the broadcaster will use resources effectively for the achievement of its missions. The operation of the public service broadcaster should be overseen by a governing board comprising members chosen from outside the broadcaster on the basis of merits.

Accountability and evaluation of performance

9. The governing legislation for the public service broadcaster should set out the public service mandate and the accountability requirements. It is necessary to put in place a standing mechanism to effectively evaluate the performance of the future public service broadcaster and to enhance its public accountability. Apart from a codified set of accountability requirements including the publication of editorial guidelines, tabling of reports and budgets at LegCo, and systematic arrangements to gauge public opinions, the establishment of an Ombudsman's office within the public service broadcaster to deal with complaints should be considered.

A licensing regime

10. It would be useful to introduce a licensing regime, which can also provide an opportunity for the regulator and the public to scrutinize and evaluate the performance of the public service broadcaster. Whether there should be a single regulator for both commercial broadcasters and public service broadcasters can be further discussed.

Programme content

11. It is common practice in overseas jurisdictions to specify in law the public service remit of public service broadcasters and the programme genres. Funding support should have regard to the programme content. A public service broadcaster should produce programmes in a distinctive manner and pioneer in new programme genres.

12. PSB in Hong Kong should help promote biliteracy and trilingualism among its residents, as well as reflect the cultural and linguistic diversity of Hong Kong society. PSB does not serve to promote or publicize government policies, but public service broadcasters should provide a forum for a fair exchange of views.

Competition

13. Whether there should be multiple public service broadcasters in Hong Kong is a subject which ought to be further examined in the light of the market size of Hong Kong, the diverse needs of the community and the possible sources of funding to support the broadcasters.

14. In principle, public service broadcasters should not seek to compete with commercial broadcasters for advertising revenue and audienceship ratings. In programming, public service broadcasters should serve a broad spectrum of audiences but at the same time, cater for the needs of minority interest groups in society as part of their mission.

Opening up the airwaves

15. The Government should examine the demand for opening up additional channels for a public purpose. There is a growing demand for "opening up the airwaves". It is however noted that the existing frequency spectrum assigned for broadcasting has not been fully utilized in Hong Kong and there are suggestions that the surplus channel capacity should be released for the community's use. Despite the Government's policy stance against the setting up of public access channels, the Panel considers that there should be more informed public discussion so as to achieve a better understanding on various aspects of the subject.

The future of RTHK

16. Given RTHK's significant contribution to Hong Kong's broadcasting sector over the past decades, it is only logical to consider how RTHK could be further developed to become Hong Kong's major public service broadcaster. The criticisms on some of its management practices and its programming have prompted public discussion on the direction of its future development.

17. The Framework Agreement gives RTHK editorial independence without subjecting it to a regulatory framework outside the government structure. RTHK's status as a government department has led to debates in the

community on whether RTHK should "bite the hand that feeds it". By contrast, none of the major overseas public service broadcasters studied by the Panel in this report is a government department. To rectify the situation, it may be useful to review the corporate status of RTHK and consider how RTHK could be put on par with its overseas counterparts.

18. As RTHK is Hong Kong's sole publicly-funded broadcaster, the outcome of the Review will certainly have implications on its future development. In the course of this study, the Panel has noted that RTHK has provided its views on the review of PSB in Hong Kong. The Panel urges the Administration to consider these views carefully' when mapping out the future development of PSB.

Deepening public understanding and discussion

19. All along, there has been very little systematic discussion on the subject of PSB. The development of a PSB system in Hong Kong involves the consideration of many public policy issues. There is a need for the Government to provide more background information and make available more opportunities for informed public discussion before formulating a way forward for PSB in Hong Kong.

20. The public should be involved not only at the consultation stage, but at all stages of PSB development. Public participation should become part of the PSB system to foster communication and mutual trust between the media and the public.

Development process for PSB

21. In formulating a roadmap for the development of PSB in Hong Kong, the Government should take into consideration the following working process :

- (a) enhance the community's understanding of PSB through public discussions and analyze the views received in a systematic and transparent manner;

- (b) draw up the strategic planning for the development of PSB taking into account the views of stakeholders and the public;
- (c) determine what PSB is set out to achieve for the people of Hong Kong and define the role of RTHK in the development of PSB;
- (d) assess the demand for public broadcasting to meet the diverse needs of the community and to provide choices, and explore the availability of spectrum for use by multiple broadcasters undertaking PSB in Hong Kong;
- (e) assess the financial implications for the sustainable development of at least one full-fledged public service broadcaster and the establishment and the operation of the regulatory and licensing infrastructure;
- (f) explore how the financial requirements can be met and assess the impact of such requirements on public expenditure and on commercial broadcasters;
- (g) involve stakeholders and the public at the planning and implementation stages of development, which include devising the PSB model, drawing up the licensing regime and participation in the corporate management of public service broadcasters; and
- (h) provide a mechanism which keeps the development of PSB and the performance of public service broadcasters under regular reviews.



Public access channels

4.51 As explained in **Chapter III**, the Government has not assigned any broadcasting spectrum for the use of the community or certain social groups, nor issued any licence for such purposes. The Panel considers that the Government should look at the demand for additional channels to be used by broadcasters for a public purpose. The recent incident involving the Citizens' Radio¹ is an example reflecting the lack of opportunities for community groups to utilize the airwaves to broadcast their programmes. The Panel is aware that one of the Government's concerns is that such channels could be misused if they were not properly regulated. However, so long as the public service remit is well defined for the broadcasters and a proper regulatory system is in place, the Panel sees no reason why broadcasting channels should not be made available to the general public.

4.52 There has been considerable discussion over the past few years that the Government should "open up the airwaves" for the use of the community or certain social groups in addition to the existing licensed sound and television programme services and the broadcasting services provided by RTHK. The Panel sees the merits of public access channels in complementing the existing broadcasting services as these channels can cater for the needs of certain community groups or providing an additional platform for the public to express their ideas. There is broad agreement in principle among LegCo Members that the feasibility of setting up public access channels should be looked into, as indicated by the motions passed at the Council meetings on 18 February 2004 and 8 February 2006 calling for, among other things, the setting up of such channels. In fact, at the ITB Panel meeting held on 25 January 2006, concern has been raised as to whether the Review Committee would also study the issue in the context of its review on PSB in Hong Kong².

¹ The Citizens' Radio has applied to BA in September 2005 for a licence to operate a public radio station but so far no approval has been given.

² See the minutes of the ITB Panel special meeting held on 25 January 2006. Available from <http://www.legco.gov.hk/yr05-06/english/panels/itb/minutes/itb060125.pdf>.

Chapter IV : Constraints and Opportunities

4.53 On the availability of frequency spectrum, the Panel notes that Cable TV is already required to make available to the Government up to three television channels for government use pursuant to the licence conditions imposed on it in 1993. These channels have never been utilized. The Panel also notes RTHK's under-utilization of its channel capacity as a result of the merged broadcasting of some of its radio programmes. Some Panel members are thus concerned that on the one hand, some frequency spectrum assigned for broadcasting has not been utilized; while on the other hand, individuals keen on operating broadcasting services are not given approval to utilize the surplus spectrum.

4.54 The Panel is aware of the Government's policy stance against the setting up of public access channels in Hong Kong. Nevertheless, in view of developments such as the imminent introduction of DTT services in 2007, the advent of digital technology resulting in more efficient use of frequency spectrum and the emergence of a more diversified and vibrant broadcasting sector, the Panel considers that this subject should be further examined and believes that more informed public discussion will certainly achieve a better understanding in the subject, in particular the need or otherwise for public access channels in Hong Kong, how they should be operated and their role in the local broadcasting sector. The Panel is also mindful of the need to work out an acceptable regulatory framework for such channels, if provided, to ensure that the public access channels can achieve their intended purposes.

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