

LC Paper No. CB(1)2859/09-10(02)

# Public Hearings

## for the Mid-Term Review of the Sound Broadcasting Licences of Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited

### Hong Kong Island Session

Venue: Youth Square  
238 Chai Wan Road  
Chai Wan, Hong Kong

Date : 24 September 2010 (Friday)

Time : 7:00 p.m. - 9:00 p.m.

### Kowloon and New Territories Session

Venue: Tsuen Wan Town Hall  
72 Tai Ho Road  
Tsuen Wan, New Territories

Date : 13 October 2010 (Wednesday)

Time : 7:00 p.m. - 9:00 p.m.

Please call the hotline **2594 5926** or visit the website of the Broadcasting Authority at **www.hkba.hk** for reservation. Reservation for the Hong Kong Island Session starts from 16 September 2010. For Kowloon and New Territories Session, reservation starts from 6 October 2010. The public hearings will be conducted in Cantonese. English simultaneous interpretation may be provided upon request by the participants when making reservations.

Broadcasting Authority  
**www.hkba.hk**

### Background

In July 2003, the sound broadcasting licences of Hong Kong Commercial Broadcasting Company Limited (CRHK) and Metro Broadcast Corporation Limited (Metro) were renewed for a validity period of 12 years from 26 August 2004 to 25 August 2016. Condition 6.2 of the respective licences of CRHK and Metro provides that pursuant to section 13D of the Telecommunications Ordinance (Cap. 106), the licences shall be subject to the review by the Chief Executive in Council on such date or dates after 26 August 2010 as the Chief Executive may determine by order. Accordingly, the Chief Executive has specified by a notice in the Gazette on 3 September 2010 that the licences of CRHK and Metro be reviewed by the Chief Executive in Council as from 16 September 2010.

As the statutory body that regulates the broadcasters in Hong Kong, the Broadcasting Authority will evaluate the licensees' performance against the various statutory requirements and licence conditions before making recommendations to the Chief Executive in Council for the mid-term review of the licences of the two broadcasters. Taking into account the need for transparency, a reasonable period to collect public views and the need to discharge Broadcasting Authority's duties in a timely manner, the Broadcasting Authority decided to carry out a two-month consultation from 16 September 2010 to 15 November 2010. As part of the consultation exercise, the Broadcasting Authority will conduct two public hearings to obtain public feedback on the services of CRHK and Metro.

### Purpose

The public hearings form an important part of the mid-term review of the licences of CRHK and Metro. The hearings are intended to obtain comments and opinions from members of the public on the performance of the licensees. The Broadcasting Authority will take into account your views when considering recommendations about the licence conditions.

### Your Views are Important

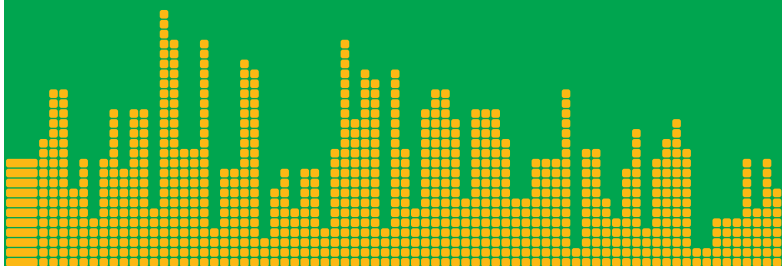
Your views are useful and valuable for the Broadcasting Authority's reference.

- Are you satisfied with the programme quality of CRHK and Metro?
- What kinds of programmes on CRHK and Metro do you like?
- What improvements do you expect CRHK and Metro to make on their programmes?
- Do you have any suggestions or comments to make?

Members of the Broadcasting Authority and senior management of CRHK and Metro will attend the public hearings to listen to what you have to say.

Please join us and tell us your views at the public hearings.

Details of the public hearings are available at the Broadcasting Authority's website **www.hkba.hk**.

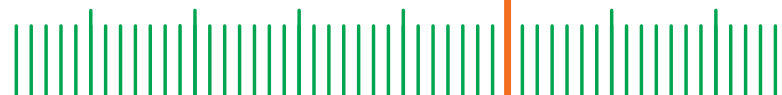


# PUBLIC HEARINGS

## for the Mid-Term Review of the Sound Broadcasting Licences

Hong Kong Commercial Broadcasting Company Limited

Metro Broadcast Corporation Limited



Broadcasting Authority



## The Public Hearing Sessions

### Hong Kong Island Session

Venue: Youth Square 238 Chai Wan Road, Chai Wan, Hong Kong
Date : 24 September 2010 (Friday)
Time : 7 pm – 9 pm

### Kowloon and New Territories Session

Venue: Tsuen Wan Town Hall 72 Tai Ho Road, Tsuen Wan, New Territories
Date : 13 October 2010 (Wednesday)
Time : 7 pm – 9 pm

Please call the hotline 2594 5926 or visit the website of the Broadcasting Authority (BA) at [www.hkba.hk](http://www.hkba.hk) for reservations. Reservation for the Hong Kong Island Session starts from 16 September 2010. For Kowloon and New Territories Session, reservation starts from 6 October 2010.

The public hearings will be conducted in Cantonese. English simultaneous interpretation service may be provided if required. Participants requiring such services should make this clear when making the reservation so that necessary arrangements can be made.

### Background

In July 2003, the sound broadcasting licences of Hong Kong Commercial Broadcasting Company Limited (CRHK) and Metro Broadcast Corporation Limited (Metro) were renewed for a validity period of 12 years from 26 August 2004 to 25 August 2016. Condition 6.2 of the respective licences of CRHK and Metro provides that pursuant to section 13D of the Telecommunications Ordinance (Cap.106), the licence shall be subject to the review by the Chief Executive in Council (CE in C) on or after 26 August 2010 as the Chief Executive (CE) may determine by order. Accordingly, the CE specified by notice in the Gazette on 3 September 2010 that the licences of CRHK and Metro be subject to review from 16 September 2010. Following the established practice, the BA, the statutory body that regulates the broadcasters in Hong Kong, will evaluate the licensees' performance against the various statutory requirements and licence conditions and make recommendations to the CE in C for the purpose of this mid-term review. Taking into account the need for transparency and a reasonable period to collect public views, the BA has decided to carry out a two-month consultation from 16 September 2010 to 15 November 2010. As part of the consultation exercise, the BA will conduct two public hearings to obtain public feedback on the services of CRHK and Metro.

## Basic Rules to be observed during the Public Hearings when discussions are open to the floor

- The Chairman will decide on the order of the speakers.
- In order to accommodate as many speakers as possible, each speaker will be allocated 3 minutes.
- The public hearings are not intended to be question-and-answer sessions for the BA or the licensees. The hearing sessions are intended to obtain comments and opinions from members of the public on the performance of the licensees. The opinions expressed at the public hearings will be collated into a report for publication. Members of the public may also submit their opinions in writing to the Television and Entertainment Licensing Authority. It is assumed that such submissions are not made in confidence. The BA may publish the submissions received in whole or in part at the website of the BA unless requested otherwise.
- All participants should respect the right of others to freely express their views at the hearings and should not disturb or interrupt the conduct of the hearings, by whatever means, including holding up/waving placards or banners.

## Programme rundown

6:45 pm	Admission for members of the public
7:05 pm	Welcoming remarks by the Chairman of the BA
7:10 pm	Presentation by CRHK
7:25 pm	Presentation by Metro
7:40 pm	Comments from the floor
9:00 pm	End of public hearing

## Topics to be raised

Views will be sought on the performance of the licensees and the sound broadcasting services they offered in the past six years. To assist members of the public to express their informed opinions on the licensees' services, a summary of the current requirements, the licensees' services, complaints records and the licensees' investment plans are set out in this brochure for reference.

## Highlights of Existing Programming and Advertising Requirements

### Programming Requirements

#### Broadcast of Specified Types of Programmes

1. The licensees shall broadcast –
  - (a) on any one channel, a minimum of two comprehensive news bulletins of not less than 10 minutes each between 12:00 noon and 12:00 midnight, half-hourly news and weather reports between 6:00 a.m. and 12:00 midnight, and hourly news and weather reports for the remaining hours of broadcasting unless to do so would cause unreasonable interruption of its broadcast programmes; and
  - (b) on the remaining channels, hourly news and weather reports throughout the day.
2. The licensees shall broadcast a minimum of 90 minutes of current affairs programmes in its services each week between 8:00 a.m. and 12:00 midnight.
3. The licensees shall broadcast on the Chinese language service a minimum of one half-hour programme each week between 8:00 a.m. and 12:00 midnight which is intended and suitable for the education and proper development of young person (aged 16 to 24) in Hong Kong.
4. The licensees shall broadcast on one or two of its services, one of which must be the Chinese language service, a minimum of two half-hour programmes each week between 8:00 a.m. and 12:00 midnight which are intended for the particular requirements of senior citizens (over the age of 60) in Hong Kong.
5. The licensees shall broadcast a minimum of 30 minutes of arts and culture programmes each week between 8:00 am and 12:00 midnight on any two of its services, one of which must be the Chinese language service.

#### Language requirements

6. 80% of the broadcast time of one channel shall be in Cantonese, and 80% of another channel should be in English. There is no language requirement for the third channel.

#### General Programming Standards

7. The licensees should ensure that their programmes are handled in a responsible manner and that they should avoid needlessly offending audience by what they broadcast. The licensees should not include in their programmes any material which is indecent, obscene, of bad taste or denigrating.
8. Any programme containing material which is likely to offend or disturb some people should carry a warning to that effect at the beginning of the programme.

### **Responsibility toward Children and Young People**

9. The licensees should not schedule programmes targeting adult listeners at times when they normally broadcast programmes targeting children or young persons. The standards relating to language, violence and sex should be strictly observed in programmes which might reasonably be expected to hold the attention of children and young people.

### **Accuracy and Impartiality**

10. News should be presented with accuracy and due impartiality. Correction of factual error should be made as soon as practicable after the original error.
11. The licensees must ensure that due impartiality is preserved in factual programmes dealing with matters of public policy or controversial issues of public importance in Hong Kong.

### **Fairness**

12. The licensees should take care not to distort or misrepresent views of interviewees.

### **Personal View Programmes**

13. "Personal view programmes" are programmes in which the programme hosts and, sometimes, individual contributors put forward their own views. The nature of a personal view programme must be identified clearly at the start of the programme.
14. Opinions expressed in personal view programmes should not rest upon false evidence.
15. A suitable opportunity for response to the programme should be provided.

### **Crime**

16. Criminal activities, when depicted, must be consistent with and reasonably related to plot and character development.
17. Crime should not be portrayed in a favourable light.
18. The presentation of criminal techniques in such a way as to be instructional or to invite imitation should also be avoided.
19. Depictions containing detailed instructions for, or illustrations of, the use of illegal drugs, harmful devices or weapons are not permitted.
20. Depictions of triad ceremonies, rituals, hand signs, etc., and triad expressions not generally accepted in daily language should be avoided.
21. Glorification of criminals, the power of triads and membership in a triad society should be avoided.

### **Gambling**

22. No programme should be presented in a manner which encourages or offers instructions in gambling.

### **Language**

23. Expressions considered vulgar by an average person are to be avoided. Expressions that are definitely offensive are prohibited from use on radio.

### **Violence and Sex**

24. Programmes should present such objects as violence and sex without undue emphasis and only as required by plot development or character delineation. Violence, physical or psychological, should only be projected in responsibly handled contexts and not be used in excess or in an exploitative manner. The depictions of material reflective of sexual considerations should be handled with sensitivity.

### **Indirect Advertising**

25. No undue prominence may be given in any programme to a product, service, trademark, brand name or logo of a commercial nature or a person identified with the above so that the effect of such reference amounts to advertising.

## **Advertising Requirements**

### **Advertising Time Allowance**

1. The licensees shall not broadcast on any day advertising material which exceeds in total 12% of the time which broadcasting takes place on that day.

### **Broadcast of Announcements in the Public Interest (APIs) and BA Publicity Material**

2. The licensees shall broadcast, as the BA may determine, APIs on each of its services not exceeding 1 minute in any clock hour and BA publicity material, in each of its services, twice daily for not more than 1 minute between 6:00 p.m. and 11:00 p.m., subject to a weekly maximum of 5 minutes in each of its services.

### Restrictions on Advertising Materials

3. Advertising should be legal, clean, honest and truthful, advertisements must be clearly distinguishable as such and be recognisably separate from the programmes, and advertisements must comply with the laws of Hong Kong.
4. A sponsored programme must be clearly identified as such.
5. No bona fide news programmes comprising local or international news item may be sponsored.
6. All factual claims and best selling claims should be capable of substantiation.
7. Advertisements for the following products or services are not acceptable :
  - (a) tobacco products;
  - (b) fortune tellers and the like;
  - (c) undertaker or others associated with death or burial (except advertisements for columbaria);
  - (d) unlicensed employment services, registries or bureaux;
  - (e) night clubs, dance halls, massage parlours, sauna houses, bath houses or similar establishments in which hosts/hostesses are employed for the primary purpose of attracting or entertaining customers or in which floor shows or other live performance or activities involving sexual behaviour are presented;
  - (f) escort and dating services targeting young persons under 18;
  - (g) pay per call information services which offer adult material of a sexual nature;
  - (h) organisations/companies/persons which advertise for the purpose of giving betting tips; and
  - (i) betting (including betting pools).
8. Indirect advertising of the unacceptable product or service is unacceptable.
9. Advertisements for alcoholic beverages should not be broadcast between 4:00 p.m. and 8:30 p.m. and in proximity to children's programmes or programmes targeting young persons under the age of 18.
10. Advertisement for a medical preparation or treatment should not contain any reference to a prize competition or promotional scheme involving gifts, premium offers and samples, etc.
11. Products of a personal nature, such as female sanitary products and condoms, etc., should be presented with care and sensitivity.
12. No advertisement of a political nature shall be broadcast except with the prior approval of the BA.

## The Licensees' Services

### Background

CRHK and Metro each operates two Cantonese FM channels and one English AM channel. The Cantonese channels are CR1<sup>1</sup> and CR2<sup>2</sup> of CRHK; and Metro Info<sup>3</sup> and Metro Finance<sup>4</sup> of Metro. The English channels are AM864<sup>5</sup> of CRHK and Metro Plus<sup>6</sup> of Metro.

### Broadcast Hours

During the period from August 2004 to July 2010, the six channels of CRHK and Metro (i.e. CR1, CR2, AM864, Metro Info, Metro Finance and Metro Plus) provided a total of 311,900 broadcast hours. All channels were broadcast round-the-clock.

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<sup>1</sup> CR1 is an information channel targeting mature audience, providing news, current affairs, financial and personal view programmes.

<sup>2</sup> CR2 is an entertainment channel featuring pop culture and music targeting young listeners.

<sup>3</sup> Metro Info (formerly Metro Showbiz) provides music and entertainment programmes as well as programmes on lifestyle, health, market news and information of interest to the public.

<sup>4</sup> Metro Finance provides real-time news and information about financial markets around the world.

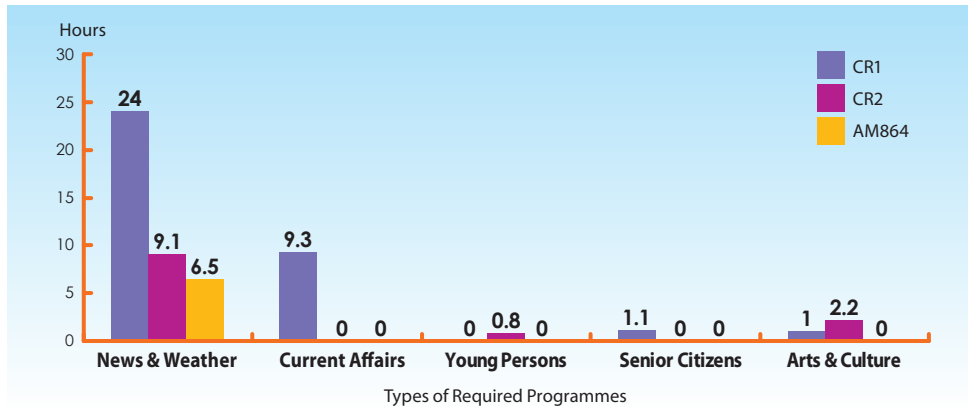
<sup>5</sup> AM864 provides music programmes, hourly news reports and programmes for ethnic minorities like Filipinos in Hong Kong.

<sup>6</sup> Metro Plus provides music programmes, hourly news reports and programmes for ethnic minorities like Indians, Indonesians and Filipinos in Hong Kong, as well as immigrants from the Mainland.

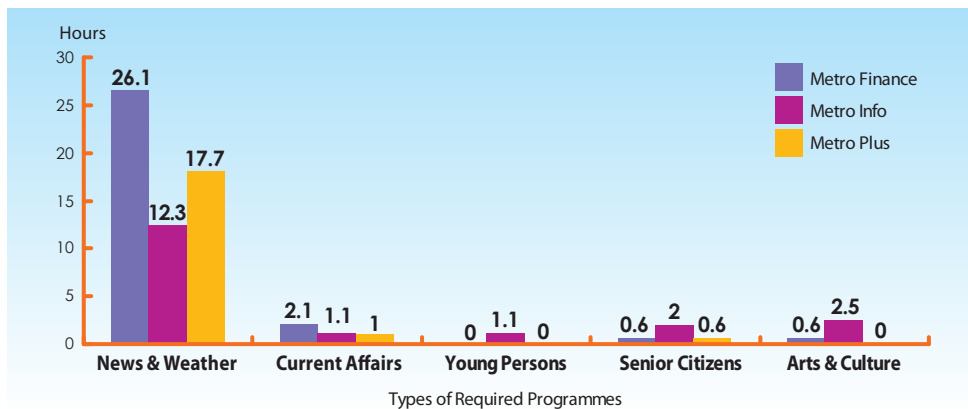
## Positive Programmes

Each licensee is required to broadcast at least 6.3 hours of positive programmes<sup>7</sup> per week. During the period from August 2004 to July 2010, the weekly average broadcast hours of positive programmes provided by CRHK and Metro are respectively 54 hours and 67.7 hours. Details are shown in the following charts:

### Weekly Average of Broadcast Hours of Required Types of Programmes on CRHK



### Weekly Average of Broadcast Hours of Required Types of Programmes on Metro

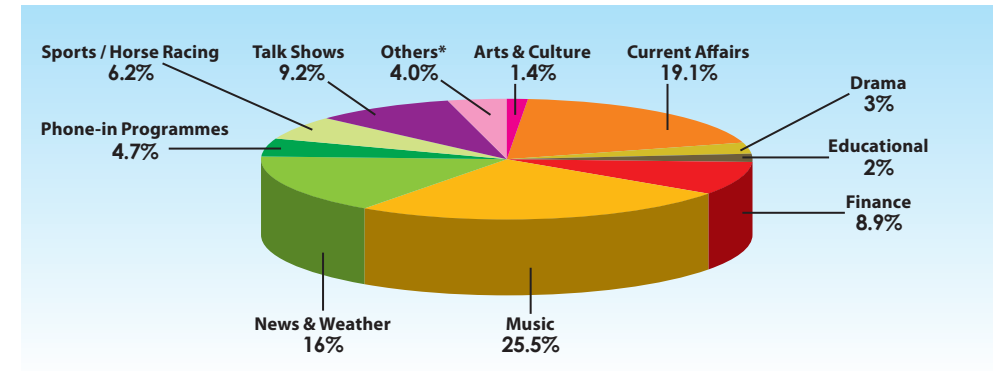


<sup>7</sup> The licensees are required under their licences to broadcast news and weather programmes, current affairs programmes, arts and culture programmes and advisory programmes, viz. programmes for young persons and senior citizens.

## Programme Types

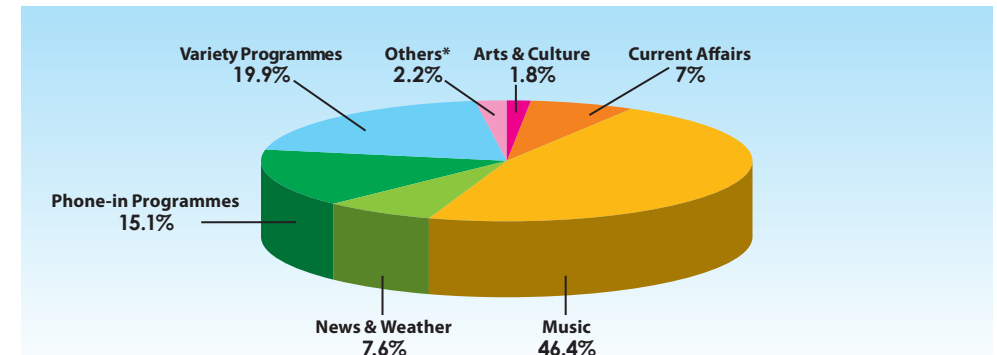
The different genres of programmes provided by CRHK and Metro are shown in the following charts:

### Types of Programmes on CR1



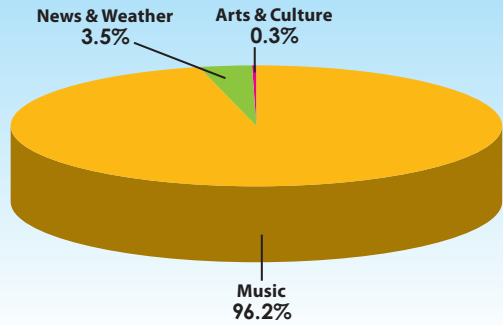
\* Others include game shows (1.1%), interviews (0.4%), live feed programmes (0.1%), magazine programmes (1.3%), outside broadcast programmes (0.1%), religious programmes (0.1%), variety programmes (0.3%) and programmes for senior citizens (0.6%).

### Types of Programmes on CR2

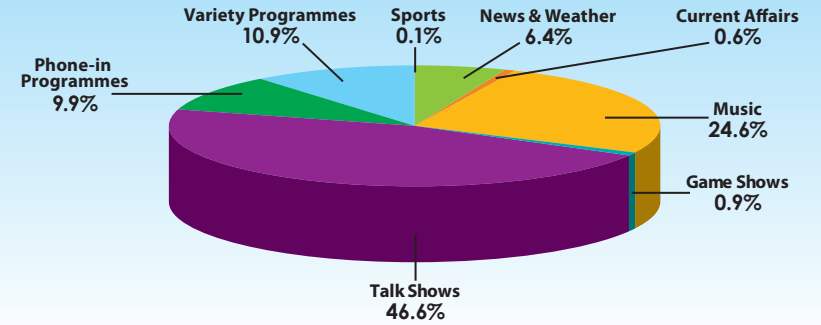


\* Others include drama (0.5%), educational programmes (0.1%), finance programmes (0.1%), game shows (0.2%), interviews (0.1%), live feed programmes (0.1%), magazine programmes (0.2%), outside broadcast programmes (0.4%), sports programmes (0.1%) and talk shows (0.4%).

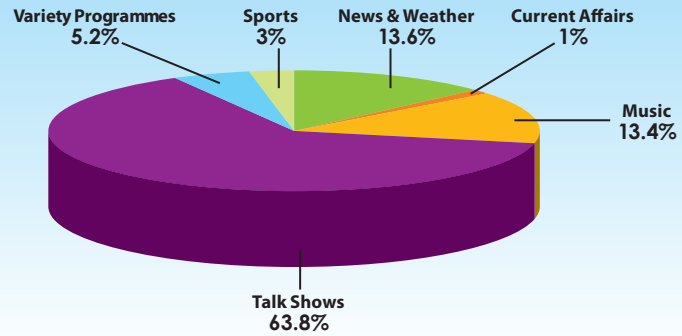
**Types of Programmes on AM864**



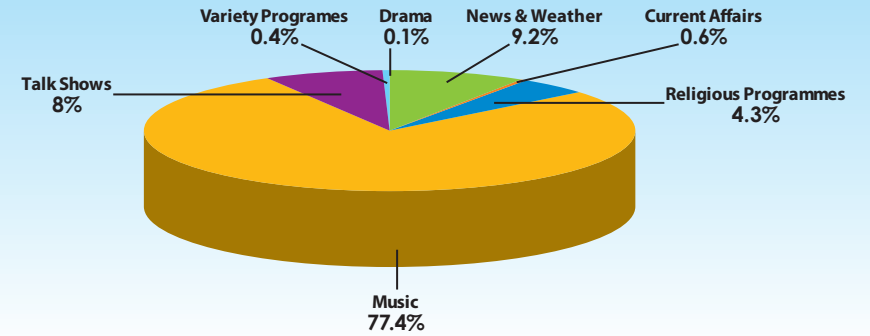
**Types of Programmes on Metro Info**



**Types of Programmes on Metro Finance**



**Types of Programmes on Metro Plus**





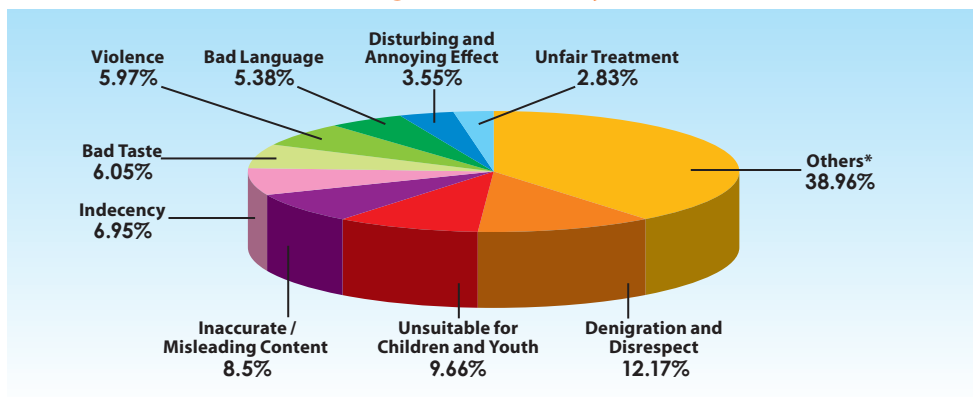
## Complaints Records

### Complaints about Programme Materials

During the period from August 2004 to July 2010, the licensees broadcast a total of 296,950 programming hours and a total of 2,861 complaints (937 cases) relating to programme standards were received. Among these complaints, 88% were about CRHK, 11% about Metro, and 1% about both CRHK and Metro. The three cases attracted most complaints over the period and were substantiated are: 901 complaints in 2010 about the programme "Night Rider 18" (十八全人愛落區) broadcast on CR1 and CR2 alleging that the sponsored programme constituted political advertising which is prohibited unless prior approval has been given by the BA and contravened the requirements for programme sponsorship; 284 complaints in 2006 about the programme "So Fab" (架勢堂) broadcast on CR2 in which the programme hosts' remarks invited listeners to vote for the female artistes they most wanted to indecently assault; 3 complaints in 2005 about the use of foul expressions in the programme "He She Hit" (她他她打嚟) broadcast on CR2. For the first case, the BA imposed a financial penalty of \$30,000 on CRHK. For the second case, the BA imposed a financial penalty of \$140,000 on CRHK and also directed the licensee to broadcast an apology. The BA imposed a strong advice for the third case.

Most of the complaints about programme materials were related to denigration and disrespect (12.17%), unsuitable for children and youth (9.66%), inaccuracy and misleading content (8.5%), indecency (6.95%) and bad taste (6.05%). The following chart shows the detailed breakdowns of complaints on programme materials by nature:

**Nature of Complaints About Programme Materials on CRHK and Metro  
(26 August 2004 - 31 July 2010)**



\* Others include indirect advertising, editing and technical faults, inappropriate broadcast time, horror, adult nature material, programme changes/scheduling, sex, triad theme, superstition and bad theme.

Of the 2,861 complaints received during the period under review, 1,528 complaints were classified by the Commissioner for Television Entertainment and Licensing (CTEL) under delegated authority as unsubstantiated, outside the remit of the BA or minor breaches. The BA imposed 20 sanctions on the remaining 1,333 complaints. A breakdown of the sanctions imposed by the BA is as follows:

Station \ Sanction	Apology	Financial Penalty	Serious Warning	Warning	Strong Advice	Advice	Total
CRHK	1	2	0	1	5	5	14
Metro	0	2	1	0	0	3	6
Total	1	4	1	1	5	8	20

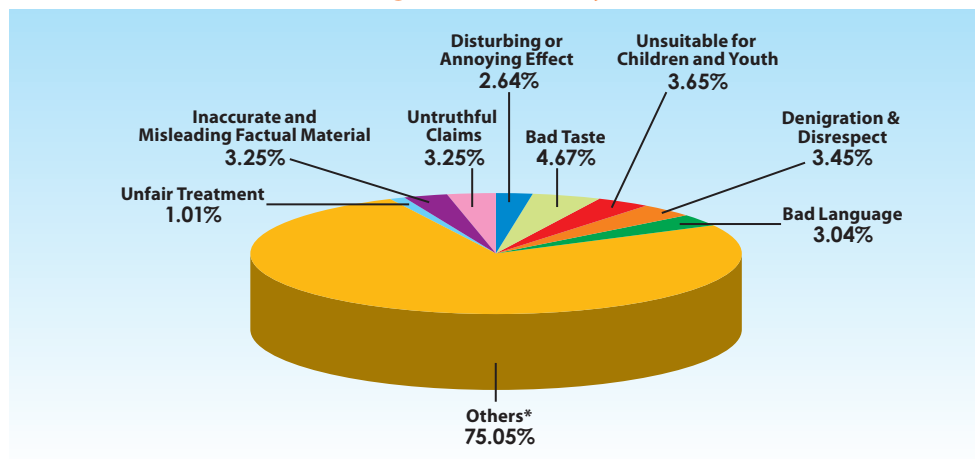
Note: The two financial penalties on CRHK involved the programmes "So Fab" and "Night Rider 18". The programme hosts of "So Fab" asked listeners to vote for the female artistes they most wanted to indecently assault. In view of the seriousness of the case and the public concern, the BA directed CRHK to broadcast an apology. "Night Rider 18" was found to constitute an advertisement of a political nature and was broadcast without the approval of the BA. The two financial penalties on Metro involved the licensee's failure to broadcast half-hourly news and to comply with the requirement on the designated language of broadcast in the English channel, i.e. 80% for one of the channels.



## Complaints about Advertising and Non-programme Materials

During the period from August 2004 to July 2010, the licensees broadcast a total of 14,950 hours of advertisements and a total of 449 complaints (94 cases) about advertising and non-programme materials were received. Most of the complaints about advertising and non-programme materials were related to bad taste (4.67%), unsuitable for children and youth (3.65%), denigration and disrespect (3.45%), untruthful claims (3.25%) and inaccurate and misleading factual material (3.25%). The following chart shows the detailed breakdown of complaints on advertising and non-programme matters by nature:

**Nature of Complaints About Advertising / Non-Programme Materials  
(26 August 2004 - 31 July 2010)**



\* Others include indirect advertising, editing and technical faults, horror, indecency, sex, superstition, services/products unacceptable to be advertised, bad theme and violence.

Of the 449 complaints about advertising and non-programme materials, 121 complaints were classified by the CTCL as unsubstantiated, outside remit of the BA or minor breaches. The BA imposed 7 sanctions on the remaining 328 complaints. A breakdown of the sanctions imposed by the BA is as follows:

**Sanctions on Advertising/ Non-Programme Materials  
(26 August 2004 – 31 July 2010)**

Station	Sanction	Financial Penalty	Serious Warning	Warning	Strong Advice	Advice	Total
CRHK		1	0	0	1	2	4
Metro		2	0	0	0	1	3
Total		3	0	0	1	3	7

Note: The financial penalty on CRHK involved the broadcast of the advertisement for "March for Universal Suffrage" (普選大遊行), which was found to constitute an advertisement of a political nature and was broadcast without the prior approval of the BA. The two financial penalties on Metro involved the licensee's failure to broadcast 240 APIs for the period from 12 April to 30 July 2004 and 13 APIs on 12 December 2005 respectively.

Details of the complaints considered by the BA are available at <http://www.hkba.hk/en/complaints/archives.html>.



## CRHK and Metro's Submissions on Investment Plans

CRHK and Metro have respectively made proposed investments for the periods from 26 August 2004 to 25 August 2010 and from 26 August 2010 to 25 August 2016 as follows:

	CRHK	Metro
<b>26.8.2004 – 25.8.2010</b>		
Programme production	\$1,072 million	\$554.7 million
Capital investment	\$18 million	\$12 million
<b>Total</b>	<b>\$1,090 million</b>	<b>\$566.7 million</b>

	CRHK	Metro
<b>26.8.2010 – 25.8.2016</b>		
Programme production	\$796 million	\$728 million
Capital investment	\$16.8 million	\$35.9 million
<b>Total</b>	<b>\$812.8 million</b>	<b>\$763.9 million</b>

CRHK has attributed the decrease in the proposed investment in 2010 – 2016 to its conservative approach in preparing the investment plan due to economic uncertainty following a huge economic downturn in 2008 and the likelihood of increasing competition in radio and general multi-media for the next six years. CRHK's proposed investment for 2010 – 2016 represents a high percentage of its predicted income and is comparable to its actual investment over the previous six years (2004 – 2010).

Metro has explained that it has increased the investment commitments for 2010 – 2016 to cater for staff development, facilities upgrade, programming improvement and other development brought by technological advancement to further enhance its service quality.