

**For discussion
on 14 February 2011**

**Legislative Council Panel on
Information Technology and Broadcasting**

**Radio Television Hong Kong –
New Developments in Public Service Broadcasting**

Purpose

This paper briefs Members on a comprehensive package to support the development in the next few years of Radio Television Hong Kong (RTHK) as the public service broadcaster (PSB).

Background

2. In 2009, the Government decided to task RTHK to fulfill the role and mission as the PSB of Hong Kong. In the next few years, RTHK will embark on various new development initiatives, including the preparation for the launch of digital audio broadcasting and digital television broadcasting services, facilitating community involvement in broadcasting, re-provisioning of the Broadcasting House, and establishing a digital media asset management system. In December 2010, the Government announced a package of arrangements to comprehensively support RTHK in taking forward its new initiatives.

New Resources

3. The Government proposes to allocate new resources to RTHK as from the financial year 2011-12 for launching various new services, including –

- (a) Recurrent funding: mainly used for launching digital audio broadcasting (DAB) services, increasing the production of high definition (HD) television programmes in preparation for the launch of digital terrestrial television (DTT) services,

planning for the new Broadcasting House, digitization of programme archives, etc; and

- (b) Non-recurrent funding: mainly used for the procurement of equipment and facilities to kick start the DAB and DTT services.

Details on the additional recurrent and non-recurrent funding will be set out in the estimates of RTHK for the coming year.

Manpower Resources

Additional Posts

4. RTHK will create a number of new civil service posts in 2011-12, including one permanent post of Controller (Broadcasting Services) ranked at D1 and a supernumerary post of Administrative Officer Staff Grade B (AOSGB) to be designated as Deputy Director of Broadcasting for three years. Please refer to the other paper for this meeting entitled “Strengthening directorate support for Radio Television Hong Kong” for details of the proposal to create these two posts. We plan to submit the proposal to the Establishment Subcommittee of the Legislative Council in the second quarter of this year.

5. The new posts proposed to be created are mainly responsible for planning for the launch of DAB and DTT services, development of the new Broadcasting House in Tseung Kwan O, and preparing for community involvement in broadcasting.

Internal Promotion and Open Recruitment

6. There are currently about 80 civil service vacancies in different ranks of the Programme Officer grade in RTHK. RTHK will resume internal promotion for staff at both directorate and non-directorate ranks. RTHK will convene the relevant promotion boards in the first quarter of this year and is currently making necessary preparation, including updating the Guide to Appointment and seeking approval from the Civil Service Bureau and the Public Service Commission.

7. RTHK will also resume the recruitment of civil servants for vacancies in the Assistant Programme Officer rank. Interested and eligible persons can apply in the first quarter of this year.

8. RTHK staff are the most important asset of the department. Since the end of last year, the management of RTHK has started briefing its staff in different sections and units on the vacancy position in the respective sections or units and the concerned recruitment arrangements and proposed timetable so as to help the staff understand the latest development. The management of RTHK is now working with the Civil Service Bureau on the implementation details and making the necessary preparations with a view to announcing the details in the first quarter of this year.

Digital Audio Broadcasting (DAB)

Development of DAB in Hong Kong

9. We have been adopting a market-driven approach in respect of the development of DAB in Hong Kong. In fact, DAB was first developed in Europe back in late 1980s to early 1990s. However, there was not keen market interest in the development of DAB locally, mainly due to the high price of DAB receivers vis-à-vis its benefits. This phenomenon has been very common worldwide and Hong Kong is no exception. In the past few years, the price of DAB receivers has been falling. We have seen an increasing trend of development of DAB services overseas. In Hong Kong, we have also noticed an increased market interest in the development of DAB services. In response to market demand, we promulgated the framework for the development of DAB services in Hong Kong in February 2010 and invited interested parties to submit applications for sound broadcasting licence to provide DAB services via a Band III multiplex. We briefed the Panel on this matter in March 2010. For details, please refer to the LegCo Brief ref. CTB(CR)9/1/7 issued on 11 February 2010.

10. In respect of sound broadcasting licences to provide DAB services, a total of three applications were received. In November 2010,

the Chief Executive (CE) in Council granted approval-in-principle to the applications by Metro Broadcast Corporation Limited, Phoenix U Radio Limited and Wave Media Limited for sound broadcasting licences under section 13B of the Telecommunications Ordinance to provide DAB services. For details, please refer to the LegCo Brief ref. CTB(CR)9/1/7 issued on 5 November 2010. We are now drafting the relevant licence documents with a view to enabling early licensing decision to be made by the CE in Council.

11. To ensure the smooth rollout of DAB services in Hong Kong, we have set up a DAB Steering Committee comprising members from the Television and Entertainment Licensing Authority, the Office of the Telecommunications Authority, RTHK and the prospective licensees to oversee the implementation and sustainable development of DAB services, which include monitoring the network coverage and rollout, take-up of DAB, sales of DAB receivers, and devising DAB publicity and promotion strategies.

Development Plan of DAB of RTHK

12. RTHK will be allocated spectrum frequencies to launch five DAB programme channels. In line with the service commencement for the commercial operators, RTHK's current target is to launch these channels by mid-2012. Four of the new DAB programme channels will initially be used for simulcasting the existing four AM channels to improve reception quality, with gradual enhancement of programme content, including the introduction of community involvement in broadcasting. The other DAB programme channel will be used for relaying national radio programmes to enhance public understanding about matters concerning the Mainland. RTHK will also provide value-added data services to the audience, such as the screening of news highlights, weather information and traffic reports on DAB receivers. RTHK's development in DAB service will not affect nor reduce its input of resources into other services including analogue broadcasting and new media services.

Sharing of a common multiplex and cooperation in the establishment and operation of the transmission network

13. As the DAB applicants and RTHK will be required to provide their DAB services through a common Band III multiplex, they will have to share a single set of transmission equipment on technical grounds. In addition, to maximise the use of existing transmission facilities at hilltop, the transmission equipment will be accommodated in the existing seven FM hilltop transmission sites.

14. RTHK has been discussing with the three prospective licensed operators on issues relating to the sharing of the transmission network. In accordance with the framework for the development of DAB services in Hong Kong promulgated by the Government, DAB service providers would have to bear the capital costs for establishing the DAB network to achieve territory-wide coverage. RTHK and the three prospective licensed operators will share the cost with reference to the number of DAB channels each operates. RTHK will be responsible for the maintenance of the transmission network. The maintenance and management cost will be shared with the prospective licensed operators, based on the number of DAB channels each operates. The arrangement for the sharing of transmission network is in line with the implementation framework. There is no question of the Government making use of public funds to subsidize commercial operators. The details of the sharing arrangement will be specified in a contract, including safeguards to ensure that the network will maintain its service, notwithstanding changes in the operation of individual operators.

Digital Terrestrial Television

15. RTHK currently does not have its own TV transmission network or any experience in the operation of a TV station. It has an output of 590 hours a year in terms of TV production, broadcast through the two commercial domestic free TV broadcasters. There is a practical need for RTHK to develop its DTT service in a progressive and step-by-step manner.

16. In the next few years, RTHK will be committed to establishing

the DTT transmission network, including discussion with the two free-to-air TV broadcasters on the rental of suitable hilltop transmission sites, purchasing transmitters and equipment, and conducting technical trials. Depending on works progress and discussion with the two free-to-air TV broadcasters, we expect that the basic transmission network can be established by 2013-14 at the earliest.

17. The Government has also agreed to provide additional resources to enable RTHK to increase its production of high definition (HD) television programmes from about 50 hours to not less than 200 hours per year from 2011-12.

18. The Government has allocated the required resources to RTHK for implementing the initiatives set out in paragraphs 16 and 17 above. Details will be enshrined in the estimates of RTHK for the coming year. Upon the establishment of the transmission network and subject to progress of the preparatory work and the resources needed for operating a TV station, RTHK may develop its DTT services progressively according to the needs of the community and market condition.

Community Involvement in Broadcasting

19. RTHK will develop community involvement in broadcasting on its digital platform. The Government has earmarked \$45 million for a three-year trial under the proposed Community Broadcasting Involvement Fund. RTHK is considering the framework and possible ground rules for the initiative.

Digitisation of programme archives

20. RTHK has over 80 years of audio records and over 30 years of TV productions. These materials are not only collective memory of the public but also a very valuable reference source for RTHK and other broadcasters in content production.

21. The Government will provide resources in the next five years for RTHK to establish a Media Asset Management System in order to preserve the cultural heritage of Hong Kong's public broadcasting and

make it accessible by the public and the industry. We already briefed Members on this project in December 2010. Details are set out in LC Paper No. CB(1)657/10-11(04).

Development of New Broadcasting House in Tseung Kwan O

22. The Government has decided that Tseung Kwan O Area 85 should be the new site for the development of the new Broadcasting House. Compared with the original site, Area 85 is more suitable for the development of the new Broadcasting House because it is larger in size and subject to far less development constraints, thus substantially reducing construction difficulties. The Government plans to complete the technical feasibility study around the first half of this year, and will proceed with town planning procedures and application for funding as soon as possible.

Advice sought

23. Members are invited to note and comment on the various arrangements described in preceding paragraphs.

**Commerce and Economic Development Bureau /
Radio Television Hong Kong
February 2011**