

立法會 *Legislative Council*

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Panel on Information Technology and Broadcasting

Meeting on 8 November 2010

Background brief on Mid-term review of sound broadcasting licences

Purpose

This paper gives the background to the mid-term review of the sound broadcasting licences of Hong Kong Commercial Broadcasting Company Limited (CRHK) and Metro Broadcast Corporation Limited (Metro). It also summarizes the views and concerns expressed by Members on related issues.

Background

2. According to the existing services provided by the two commercial sound broadcasting licensees, CRHK and Metro each operates two Cantonese FM channels and one English AM channel. The Cantonese channels are CR1¹ and CR2² of CRHK, and Metro Info³ and Metro Finance⁴ of Metro. The English channels are AM864⁵ of CRHK and Metro Plus⁶ of Metro. All channels are broadcast round-the-clock. Highlights of the existing programming and

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

² CR2 is an entertainment channel featuring pop culture and music targeting young listeners.

³ 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.

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

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

⁶ 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.

advertising requirements of CRHK and Metro are given in the Administration's publicity pamphlet for public hearings issued vide LC Paper No. CB(1)2859/09-10(02) on 17 September 2010.

Mid-term review

3. In July 2003, the sound broadcasting licences of CRHK and 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 (TO) (Cap. 106), the licences shall be subject to the review by the Chief Executive (CE) in Council after 26 August 2010 as the CE may determine by order. Accordingly, the CE has specified by a notice in the Gazette on 3 September 2010 that the review should start on 16 September 2010.

4. Section 13E(1) of the TO provides that the Broadcasting Authority (BA) shall submit recommendations to the CE in Council concerning the renewal of CRHK and Metro's licences and the terms and conditions to be imposed. As the statutory body that regulates the broadcasters in Hong Kong, the BA will evaluate the licensees' performance against the various statutory requirements under the law, the sound broadcasting licence conditions and the codes of practice before making recommendations to the CE in Council.

5. To take forward the review, the BA has conducted a two-month public consultation from 16 September to 15 November 2010 to gauge public views on the services provided by the two licensees. As part of the consultation exercise, two public hearings were held on 24 September and 13 October 2010 respectively to obtain public feedback on the services of CRHK and Metro. The BA will take into account public views received in making recommendations to the CE in Council.

Previous discussions

6. The development of sound broadcasting had been discussed by the Bills Committee on Telecommunications (Amendment) Bill 2009. When the Bills Committee discussed the availability of frequency spectrum for the provision of sound broadcasting services in Hong Kong, it noted that all of the seven territory-wide FM channels and seven territory-wide AM channels had been allocated and were currently being taken up by the Radio Television Hong Kong and three commercial sound broadcasting licensees for the provision of territory-wide services. In this connection, some members of the Bills Committee considered that the Administration should expedite the development of digital audio broadcasting services in Hong Kong so as to supplement the existing analogue broadcasting and improve the quality of AM broadcasting and reception as well as to free up spectrum for the introduction of public access channels. These members opined that the Government should be more open-minded to community participation in broadcasting, and provide more platforms and channels

for different sectors of the community and non-governmental organizations to express diverse views.

7. In May 2010, the Panel on Information Technology and Broadcasting noted that there were a number of complaints about the sponsorship of a series of radio programmes by a certain political party and a paid radio time-check announcement appealing to the audience to join the march against the proposal of constitutional reform. The Panel discussed with the Administration on 14 June 2010 the broadcasting policy and the regulatory regime governing sponsorship of programmes and advertisement of a political nature on radio.

8. Some Panel members were of the view that the current broadcasting regulatory regime, which only allowed the Government to promote its policies on radio and electronic media while no other advertisement of a political nature could be broadcast except with the prior approval of the BA, was unfair and would undermine editorial independence and freedom of expression. They also expressed concern about the inconsistency of the current regulatory regime which only regulated advertising of a political nature while there was no specific provision governing programme sponsorship of a political nature or by a political party. They urged the Administration to review the out-dated regulatory regime.

9. The Administration was of the view that any changes to the current regulatory regime would need a comprehensive review, wide consultation and careful consideration. Investigation into complaints alleging that certain programme/announcement might constitute advertisements of a political nature rested with the BA in accordance with the provisions stipulated in the Broadcasting Authority Ordinance (Cap. 391) and established procedures.

10. The BA subsequently announced in August 2010 its ruling on the sponsorship of a radio programme by a certain political party and a paid radio announcement by a Legislative Council Member, details of which are set out in **Appendix**.

Latest position

11. The Administration will brief the Panel on 8 November 2010 on the progress of the mid-term review of the sound broadcasting licences of CRHK and Metro.

Relevant papers

Report of the Bills Committee on Telecommunications (Amendment) Bill 2009 issued for the House Committee meeting on 8 January 2010
<http://www.legco.gov.hk/yr09-10/english/hc/papers/hc0108cb1-822-e.pdf>

Information paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 14 June 2010

<http://www.legco.gov.hk/yr09-10/english/panels/itb/papers/itb0614cb1-2179-7-e.pdf>

Information note prepared by the Research and Library Services Division of the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 14 June 2010

<http://www.legco.gov.hk/yr09-10/english/sec/library/0910in18-e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 14 June 2010

<http://www.legco.gov.hk/yr09-10/english/panels/itb/minutes/itb20100614.pdf>

Press release issued by the Broadcasting Authority on 13 August 2010 (full version)

http://www.hkba.hk/en/press/20100813_e.html

Information booklet and publicity materials published by the Broadcasting Authority on public hearings for the mid-term review

<http://www.legco.gov.hk/yr09-10/english/panels/itb/papers/itbcb1-2859-2-e.pdf>

Information paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 8 November 2010

<http://www.legco.gov.hk/yr10-11/english/panels/itb/papers/itb1108cb1-297-7-e.pdf>

Council Business Division 1
Legislative Council Secretariat
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**Extract from the press release issued by the Broadcasting Authority
on 13 August 2010**

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The Broadcasting Authority ("BA") has completed thorough investigations into two complaint cases relating to the Commercial Radio ("CR").

The first complaint case relates to an appeal to "March for Universal Suffrage" ("普選大遊行"廣告) broadcast on Channel 1 of the CR from 26 April to 2 May 2010. The BA ruled that the advertisement was of a political nature and that CR's broadcast of the advertisement without prior approval from the BA constituted a breach of paragraph 28 of the Radio Code of Practice on Advertising Standards ("Radio Advertising Code"). BA imposed a financial penalty of \$30,000 on CR.

The second case relates to the two episodes of the radio programme "Night Rider 18" (十八仝人愛落區) broadcast on Channels 1 and 2 of the CR on 1 and 8 May 2010. The BA ruled that the two episodes had the objective effect of promoting the image and interests of the sponsor and constituted "advertisements of a political nature", and that CR's broadcast of the programme without prior approval constituted a breach of paragraph 28 of the Radio Advertising Code. The CR also failed to arrange clear announcements on the status of the sponsor and was ruled by BA as having breached paragraph 50 of the Radio Code of Practice on Programme Standards ("Radio Programme Code"). The BA imposed a financial penalty of \$30,000 on the CR.

The CR has accepted BA's ruling on both cases and decided to suspend the remaining episodes of "Night Rider 18" from 14 August 2010.

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