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LCQ5: Applications for domestic free television programme service licences

Following is a question by the Hon Lee Wing-tat and a reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (May 30):

Question:

The former Broadcasting Authority (former BA), the predecessor of the Communications Authority, has completed its assessment of the applications for domestic free television programme service licences (the licences) from three companies (including City Telecom (Hong Kong) Limited, Fantastic Television Limited and Hong Kong Television Entertainment Company Limited). Yet, an existing free television broadcaster recently raised strong objection to the issuance of additional licences by the Government, pointing out that this would dilute the advertising revenue of such television broadcasters and increase their operating costs, and some television broadcasters might close down as a result. In this connection, will the Executive Authorities inform this Council:

(a) when the Government will issue the licences to the aforesaid three companies, and the expected time when the Chief Executive in Council will make the decision;

(b) given that the aforesaid three companies separately applied to the former BA between end-2009 and early-2010 for operating free television programme services and the Government has indicated that vetting and approval of the applications would be completed within the first half of 2011, and that it has been over a year since then but the licences have not yet been granted, whether the Government needs to postpone the issuance of licences because of technical, financial or other problems of the three companies; and

(c) whether the dissatisfaction expressed by Asia Television Limited and Television Broadcasts Limited over the Government's plan to issue additional licences has affected the Government's consideration of not issuing licences to the three companies at a faster pace, and whether the Government has assessed if the former BA only took into account the interests of existing television broadcasters but ignored the views of the public when considering the results of public consultation?

Reply:

President,

(a) Under the existing Broadcasting Ordinance (BO) (Cap. 562), the Communications Authority (CA) shall consider applications for a domestic free television programme service licence and make recommendations thereon to the Chief Executive (CE) in Council. After considering the recommendations made by the CA, the CE in Council may grant a domestic free television programme service licence, subject to such conditions as he thinks fit specified in the licence.

City Telecom (Hong Kong) Limited, Fantastic Television Limited and Hong Kong Television Entertainment Company Limited have each submitted an application for a domestic free television programme service licence. Earlier on, the predecessor of the CA,

the former Broadcasting Authority (former BA), completed the assessment in accordance with the BO and established procedures, and made recommendations to the CE in Council on the three applications.


As I have previously explained to this Council, since the outcome of the applications will have profound impact on the domestic free television programme service market, the Government has been processing the recommendations submitted by the former BA expeditiously and prudently in accordance with the statutory requirements and established procedures. The outcome will be announced after the CE in Council makes a decision. It is therefore inappropriate for us to predict or speculate on when such a decision will be made.

(b) The applications for domestic free television programme service licences have been assessed in accordance with the BO and established procedures, with a number of relevant factors being taken into account. Such factors include the requirements under the BO, the assessment criteria set out in the Guidance Note for Those Interested in Applying for Domestic Free Television Programme Service Licences in Hong Kong (Guidance Note) issued by the CA, public opinions and possible impact of new licences on the free television programme service market. Assessment criteria set out in the Guidance Note include the applicant's financial soundness and commitment to investment; the applicant's managerial skills and technical expertise; the variety, quantity and quality of programmes to be provided; the technical soundness and quality of the proposed service; the speed of service roll-out; the impact on members of the public by any construction works associated with the proposed service; the benefit to the local broadcasting industry and the economy as a whole; and the applicant's internal quality control mechanisms. The CE in Council will also take into account these factors in deciding whether to grant a domestic free television programme service licence. The Administration is now processing the applications in a prudent manner. The outcome will be announced as soon as possible after a decision is made by the CE in Council.

(c) As I have just mentioned, in assessing the applications for domestic free television programme service licences, the authorities will take into account a number of factors, including public opinions. To collect public views on the three applications, the former BA conducted a public consultation exercise from July to September 2010 pursuant to the requirement under the BO. We understand that the former BA received a total of 256 submissions during the consultation period, covering a large number of areas such as the variety and quality of programmes, technical viability, commitment to investment and impact on the broadcasting industry and the viewing audience, etc. The former BA gave due regard to these views when formulating its recommendations. It also submitted a summary of views received to the CE in Council for consideration. The CE in Council will take into account the views of the public before making a decision on the three applications.

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