

立法會
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Panel on Information Technology and Broadcasting

Meeting on 10 December 2012

**Background brief on applications for
domestic free television programme service licences**

Purpose

This paper provides background information on the applications for domestic free television programme service licences and also a summary of views and concerns expressed by Members in previous discussions.

Background

2. Currently, there are four categories of television programme services under the Broadcasting Ordinance ("BO") (Cap. 562). Licences for domestic free television programme service and domestic pay television programme service are issued by the Chief Executive in Council ("CE in Council") while licences for non-domestic television programme service and other licensable television programme service are issued by the Communications Authority¹ ("CA"). Under the BO, the CA shall consider applications for a domestic free television programme service licence and make recommendations thereon to the 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.

3. According to the Administration, it has been the Government's established broadcasting policy to promote the sustainable development of

¹ The CA is an independent statutory body established under the Communications Authority Ordinance (Cap. 616) on 1 April 2012. It is a unified regulatory body overseeing the converging telecommunications and broadcasting sectors.

the local broadcasting industry and encourage fair competition, investment and the adoption of innovative technologies by the industry, thereby leading to the provision of more choices of quality programmes to the public. The Government's broadcasting policy has remained unchanged. Under the BO, there is no pre-set limit on the number of free television programme service licences to be issued. Any interested and eligible organizations may make applications to the CA for such licences. The CA will assess all applications in accordance with the BO and established procedures as set out in the Guidance Note for Those Interested in Applying for Domestic Free Television Programme Service Licences in Hong Kong, and then submit its recommendations to the CE in Council.

Previous discussions

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4. The Information Technology and Broadcasting ("ITB Panel") has been following up closely on the progress of the Administration's processing of applications for domestic free TV programme service licences. At the special meeting of the ITB Panel on 22 July 2010, members noted that the former Broadcasting Authority ("BA") (replaced by the CA on 1 April 2012) received domestic free television programme service licence applications from City Telecom (HK) Limited ("CTI"), Fantastic Television Limited ("Fantastic TV") and HK Television Entertainment Company Limited ("HKTVE") on 31 December 2009, 15 January 2010 and 31 March 2010 respectively. Members were concerned about the lack of progress by the Administration in processing the applications. The Administration undertook to report to the Panel the outcome of the licence applications.

5. At the meeting of the ITB Panel on 11 June 2012, the Administration briefed members on the progress of processing the three applications for domestic free television programme service licences. Panel members noted that it had been almost 30 months since the submissions by the applicants, and over 12 months since the recommendations on the applications submitted by the former BA. Members considered the delay unreasonable, both from the perspectives of the public and the commercial operators. They urged CE in Council to make a final decision on the applications as soon as possible. The Administration advised that the Government had been processing the recommendations submitted by the former BA expeditiously and prudently in accordance with the statutory requirements and established procedures. The outcome would be announced as soon as CE in Council made a decision.

Council meetings

6. Members have expressed grave concern about the progress of processing of the applications by the Administration at different forums. At the Council meetings on 11 January, 2 May, 30 May, 17 October and 7 November 2012, Hon LEUNG Yiu-chung, Hon Starry LEE, Hon LEE Wing-tat, Hon Charles Peter MOK and Hon Frederick FUNG raised questions on the subject. Some Members expressed concern that according to the media reports, the Administration took into consideration the political concern of the Central People's Government on opening up the local television market in processing the three applications, hence affecting the progress of the matter.

7. The Administration advised that the CA assessed applications for domestic free television licences in accordance with the BO and established procedures, taking into account a number of relevant factors. Such factors included the statutory requirements, assessment criteria set out in the CA's Guidance Note and public opinions. The assessment criteria set out in the Guidance Note included the applicant's financial soundness and commitment to investment, the applicant's managerial 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, as well as the applicant's internal quality monitoring mechanism.

8. As for the three applications for free television programme service licences, the Administration advised that the former BA completed the assessment in accordance with the BO and established procedures, and submitted its recommendations to the CE in Council. The CE in Council would take into account the above-mentioned relevant factors in deciding whether a domestic free television programme service licence should be granted. The Administration was processing the applications in a prudent manner and would announce the outcome as soon as possible once a decision was made. The Administration had no comment on the speculative reports by individual media organizations.

Recent development

9. A motion was passed at the Council meeting on 28 November 2012 urging the Administration to issue the new domestic free television programme service licenses before the end of March 2013. The wording of

the motion moved by Hon Claudia MO and amended by Ir Dr Hon LO Wai-kwok is in **Appendix**.

Relevant papers

10. A list of the relevant papers with their hyperlinks is at http://www.legco.gov.hk/yr11-12/english/panels/itb/papers/itb_ag.htm.

Council Business Division 4
Legislative Council Secretariat
4 December 2012

(Translation)

**Motion on
“Domestic free television programme service licence applications”
Moved by Hon Claudia MO
at the Council meeting of 28 November 2012**

Motion as amended by Ir Dr Hon LO Wai-kwok

That, given that the progress of vetting the three applications for domestic free television programme service licences (‘free TV licences’) has always been of major concern to the society, but the Government has not yet announced the application results, causing various speculations in society; in order to give the local free television industry a business environment for fair competition and sustainable development, this Council puts forward the following views and recommendations, and urges the relevant authorities to respond positively, including:

- (a) as the Government has been promoting a pluralistic and open society, but on the applications for free TV licences, it has not made a decision after almost three years, this Council therefore requests the Government to undertake to issue additional free TV licences before the end of March next year and issue the licences as soon as possible;
- (b) as the cultural and creative industry is one of the six industries where Hong Kong enjoys clear advantages, and in Hong Kong a considerable number of young people enroll in relevant multi-media courses, in order to increase employment opportunities for these young people and facilitate the development of creative media, the Government should proactively formulate the relevant policies and measures; and
- (c) the Government should make the vetting process of free TV licence applications open and transparent to dispel public misgivings; the relevant broadcasting ordinances and codes of practice should keep pace with the times and, on a fair and equal basis, apply across the board to existing free TV licensees and operators joining the competition in the future.