

8 July 2015

Dr the Honorable Elizabeth Quat, JP
Chairman, Legislative Council Panel on
Information Technology and Broadcasting
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Dr Quat,

**Public Hearings for the Renewal of the Domestic Pay Television
Programme Service Licence of Hong Kong Cable Television Limited**

The existing domestic pay television programme service licence of Hong Kong Cable Television Limited (“HKCTV”), which was granted on 1 June 2005, will expire on 31 May 2017.

The Communications Authority (“CA”) has received the application of HKCTV for renewal of its licence. In accordance with the Broadcasting Ordinance (Cap. 562) and established practice for processing the licence renewal application, the CA will carry out a comprehensive assessment of the performance of HKCTV and take into account public views before making recommendations to the Chief Executive in Council on the licence renewal application of HKCTV by May 2016. For this purpose, the CA will conduct a one-month public consultation exercise from 22 July 2015 to 21 August to collect public opinions on the performance of HKCTV. As part of the public consultation exercise, the CA will organise two public hearings as follows:

The First Public Hearing

Venue: Mei Foo Community Hall, Sham Shui Po
Date: 28 July 2015 (Tuesday)
Time: 7:00 p.m. to 9:00 p.m.

The Second Public Hearing

Venue: Leighton Hill Community Hall, Happy Valley
Date: 13 August 2015 (Thursday)
Time 7:00 p.m. to 9:00 p.m.

The CA would like to invite you and Members of the Legislative Council Panel on Information Technology and Broadcasting to attend the public hearings. Our staff will contact the Clerk to the Panel in relation to the attendance by the Panel Members. A copy of the publicity material for the public hearings is attached for your reference.

Yours sincerely,



(Miss Katy Fong)
Secretary,
Communications Authority

Encl.

c.c. Secretary for Commerce and Economic Development
(Attn : Mr Gregory So)

Clerk to Legislative Council Panel on Information
Technology and Broadcasting
(Attn : Ms Yue Tin-po)

**Public Consultation Exercise on
the Renewal of
the Domestic Pay Television
Programme Service Licence of
Hong Kong Cable Television Limited**
22 July - 21 August 2015



Consultation Period



22 July – 21 August 2015

Please give your views in writing



Post: The Communications Authority
c/o Office of the Communications Authority
20/F, Wu Chung House
213 Queen's Road East, Wan Chai, Hong Kong

Fax: 2507 2219

Email: consultation-cabletv@ofca.gov.hk

The Public Hearings



The First Public Hearing

Venue:

Mei Foo Community Hall
1/F, Mei Foo Government Complex
33 Mei Lai Road
Sham Shui Po, Kowloon

Date:

28 July 2015 (Tuesday)

Time:

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

The Second Public Hearing

Venue:

Leighton Hill Community Hall
133 Wong Nai Chung Road
Happy Valley, Hong Kong

Date:

13 August 2015 (Thursday)

Time:

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

Please call **2961 6513** or visit the Communications Authority's website at www.coms-auth.hk for reservation. Reservation for public hearings starts from 20 July 2015 for the first public hearing, and 29 July 2015 for the second public hearing. The public hearings will be conducted in Cantonese. English interpretation and sign language services may be provided upon request by participants when making reservation.

Background



In May 2004, the Chief Executive in Council (CE in Council) approved the renewal of the domestic pay television programme service licence of Hong Kong Cable Television Limited (HKCTV) for 12 years from 1 June 2005 to 31 May 2017. Under the Broadcasting Ordinance (Cap. 562), the Communications Authority (CA), the statutory body that regulates the broadcasters in Hong Kong, shall process the application of HKCTV for licence renewal and submit its recommendations to the CE in Council. Following established practices, the CA will carry out a comprehensive assessment of the performance of HKCTV since June 2005, with a view to making recommendations to the CE in Council on the licence renewal.

Purpose



The purpose of the public consultation exercise is to obtain comments and opinions from members of the public on the performance of HKCTV. In line with established procedures, the CA will gauge public views on the domestic pay television programme service of HKCTV through various means, including conducting public hearings and an opinion survey, and inviting written submissions from members of the public. The CA will take into account the public views received in making recommendations to the CE in Council on the licence renewal.



Basic Rules to be Observed

- The Chairman will decide on the order of the speakers.
- In order to accommodate as many speakers as possible, each will have not more than 3 minutes to express his/her views.
- The public hearing is not intended to be question-and-answer sessions for the CA or the licensee. It is intended to obtain comments and opinions from members of the public on the performance of the licensee. The opinions expressed at the public hearing will be collated into a report for publication.
- Participants should respect the right of others to express their views at the public hearings and should not disturb or interrupt the public hearings by whatever means, including holding up/waving placards or banners.

Programme Rundown



Written Submissions



Members of the public may also submit their opinions on the performance of HKCTV in writing to the CA Secretariat by post, by fax or by email (please refer to page 1 for details). Views received will normally not be treated as confidential. The CA may publish the submissions received in whole or in part (unless otherwise specified) without seeking the permission of or providing acknowledgement to the party making the submission.

Topics to be raised



Views will be sought on the performance of HKCTV and the domestic pay television programme service it offered in the past. To assist members of the public to express their opinions on the licensee's service, a summary of the licensee's service, complaints records and investment plan as well as the current regulatory requirements are set out in this brochure for information.

The Licensed Service of HKCTV



HKCTV currently provides a total of 110 television channels offering a variety of programmes including news, movies, sports, documentaries, infotainment programmes and children programmes, etc. The list of channels (as at May 2015) provided by HKCTV is set out below* –

* HKCTV's licensed service is delivered over the hybrid fibre coaxial (HFC) and microwave multipoint distribution system (MMDS) networks and on the satellite platform established and maintained by the same operator which holds a unified carrier licence issued under the Telecommunications Ordinance (Cap. 106).

Name of Channel

News and Information

- | | |
|---------------------------------|-------------------------------------|
| 1. Weather | 11. AXN |
| 2. i-CABLE Top News | 12. China Travel & Economic Channel |
| 3. i-CABLE Finance Info Channel | 13. Animax |
| 4. i-CABLE News Channel | 14. SZTV |
| 5. i-CABLE Live News Channel | 15. Channel M |
| 6. Russia Today | 16. Pearl River Channel |
| 7. Al Jazeera English | 17. Sony Channel |
| 8. CNN Headline News | 18. AHTV |
| 9. CCTV-News | 19. Fashion TV |
| 10. CCTV 4 | 20. beTV |
| 11. CCTV News (English) | 21. ZJTV |
| 12. ETTV Asia News | 22. Comedy Central Asia |
| 13. CNN | 23. MTV China |
| 14. BBC World News | 24. Hubei TV |
| 15. Channel News Asia | 25. BTV |
| 16. Bloomberg TV | 26. TJJTV |
| 17. CNBC Hong Kong | 27. STAR Chinese Channel |
| 18. Phoenix Info News | 28. CCTV-11-Opera |

Entertainment

- | | |
|------------------------------|------------------------------|
| 1. CABLE No. 1 Channel | 31. BBC Lifestyle |
| 2. Entertainment Channel | 32. Yoshimoto Azio |
| 3. Drama Channel | 33. JET TV |
| 4. Phoenix Hong Kong Channel | 34. Arirang TV |
| 5. Creation TV | 35. HD Entertainment Channel |
| 6. ETTV Asia | 36. HD Drama Channel |
| 7. i-CABLE Channel 18 | 37. AXN HD |
| 8. Macau Cultural Channel | 38. Channel M HD |
| 9. Phoenix Chinese Channel | 39. Fashion TV HD |
| 10. Dragon TV | |

Name of Channel

Movies

1. Movie 1
2. Movie 2
3. HMC
4. Cine p.
5. AMC
6. TCM
7. Thrill
8. hd Movie 1
9. hd HMC
10. hd 245
9. Discovery Science
10. DMAX
11. Nat Geo Wild HD
12. Discovery HD World

Sports

1. Sports Times
2. i-CABLE Super Soccer Channel
3. i-CABLE Sports Channel
4. Channel 63
5. i-CABLE Soccer Betting Channel
6. i-CABLE Odds Express
7. All Sports Network
8. Ten Cricket
9. hd201
10. hd202
11. hd203

Children

1. i-CABLE Children Channel
2. Cartoon Network
3. TOONAMI
4. Disney Channel
5. Disney Junior
6. Nickelodeon
7. CBeebies

Documentaries

1. BBC Knowledge
2. Nat Geo Wild
3. National Geographic Channel
4. Discovery Channel
5. TLC
6. Animal Planet
7. Nat Geo People
8. EVE

International

1. Zee TV
2. Zee News
3. Zee Cinema
4. Zing
5. NHK World Premium
6. DW-TV Asia
7. Australia Plus Television
8. NHK World TV
9. RTPi

Adults

1. CAT Preview
2. Channel Blue
3. Naughty Girls
4. Channel Cherry
5. Channel Cosmos

Complaints Records



Complaints about Programme Materials

Details of the complaints relating to programme materials received by the CA (and the former Broadcasting Authority (BA)¹, collectively referred to as the “Authority” below) during the period from June 2005 to May 2015 are highlighted below –

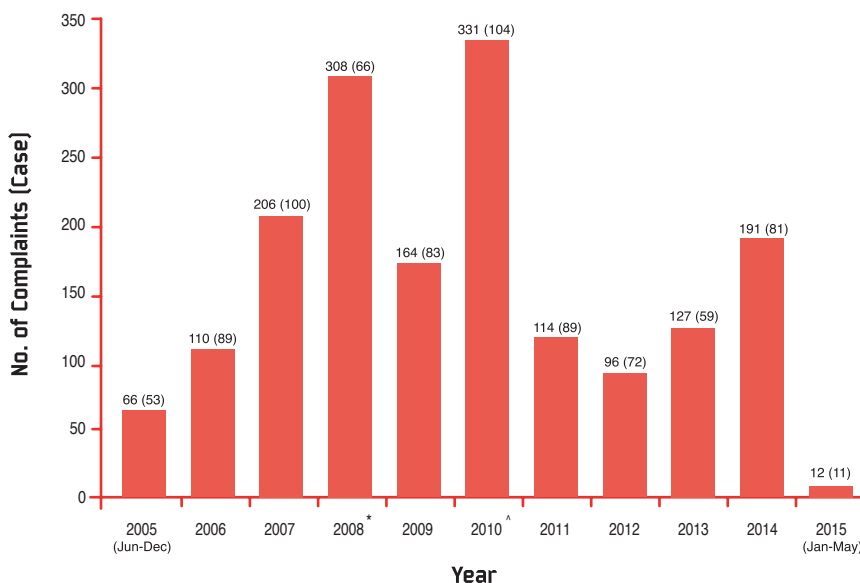
Total Number of Complaints

1,725

Total Number of Cases

807

Complaints about Programme Materials on HKCTV



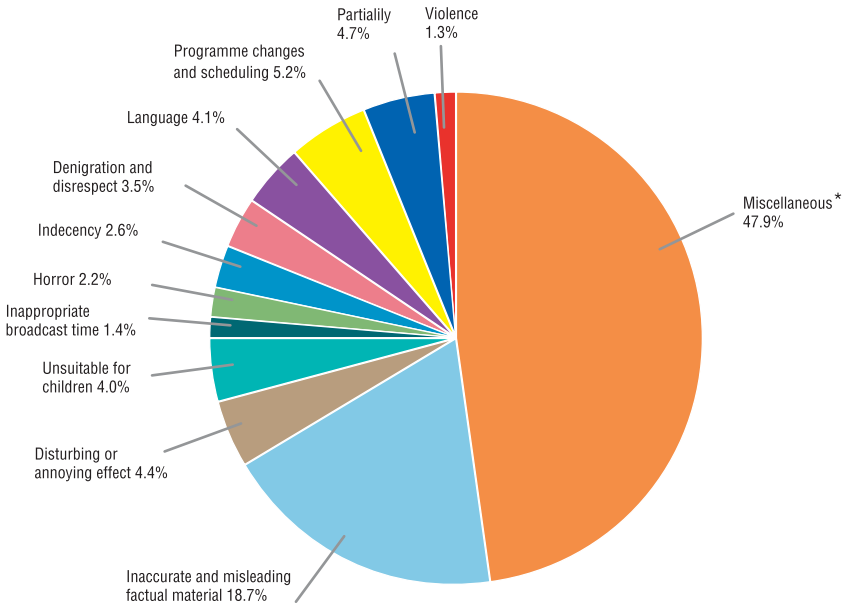
* The increase in the number of complaints in 2008 was mainly due to the complaints received about the programme “Sports Extravaganza of Chinese Olympic Gold Medallists 2008/Olympic Gold Medallists Gala” (奧運金牌精英大匯演/奧運金牌精英黃金匯演). The substance of the complaints was mainly about the alleged rude and inappropriate remarks of a hostess. These complaints were classified as outside the remit of the Authority.

[^] The increase in the number of complaints in 2010 was mainly due to the complaints received about the financial programme “Trading Hall Express” (交易所直播室). The substance of the complaints included alleged inaccurate and misleading remarks amounting to denigration and insult. These complaints were classified as unsubstantiated.

¹ The CA was established on 1 April 2012 as the unified regulator for both broadcasting and telecommunications sectors by taking over the functions of the former BA and the Telecommunications Authority.

Most of the complaint cases about programme materials were related to inaccurate and misleading factual material and programme changes. Detailed breakdowns of the complaints on programme materials by nature are as follows –

Nature of Complaints about Programme Materials on HKCTV



* Miscellaneous include adult nature material, bad theme, editing and technical faults, indirect advertising, sex, superstition, etc.

Sanctions for Breaches Relating to Programme Materials

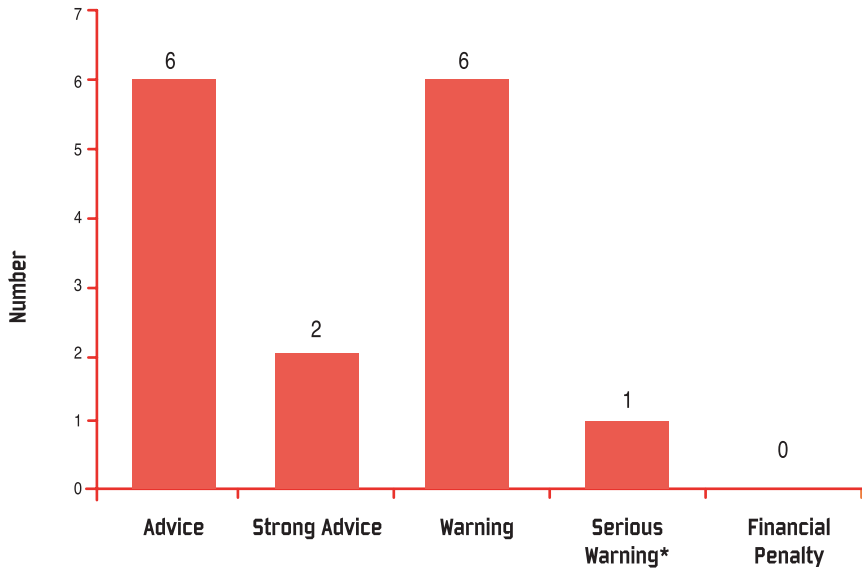
Of the 1,725 complaints (involving 807 cases) about programme materials received during the period from June 2005 to May 2015, the Authority found 22 complaints substantiated and imposed 15 sanctions on HKCTV. 1,682 complaints were classified as unsubstantiated, outside the remit of the Authority or minor breaches by the Authority or the Director-General of Communications (DG Com) (or the former Commissioner for Television and Entertainment Licensing (CTEL))² under delegated authority as the case may be³.

² The Office of the Communications Authority (OFCA) headed by DG Com has been set up since 1 April 2012 to serve as the executive arm and secretariat of the CA.

³ The remaining 21 complaints are still being processed.

A breakdown of the sanctions is set out in the following chart –

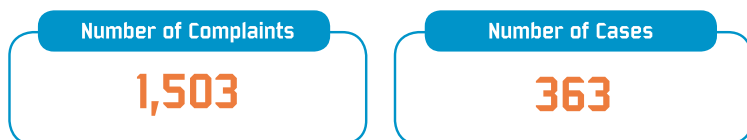
15 Sanctions Imposed by the Authority on HKCTV



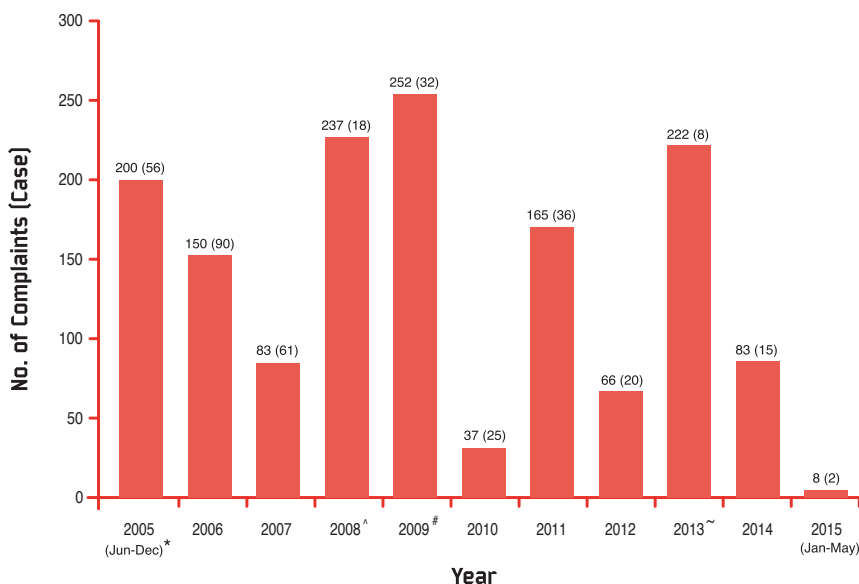
* A serious warning was imposed on HKCTV for breaching the requirement to provide sufficient safeguards against children's access to adult materials broadcast on a preview channel for adult programmes.

Complaints about Advertising and Non-Programme Materials

Details of the complaints relating to advertising and non-programme material received by the Authority during the period from June 2005 to May 2015 are highlighted below –



Complaints about Advertising and Non-programme Materials on HKCTV



* The increase in the number of complaints in 2005 was due to the complaints received about the advertisement for a credit agency, which conveyed misleading messages, was denigrating to the poor and did not portray important human relationships in a sensitive and responsible manner. HKCTV was given an advice for breaching the relevant programming and advertising requirements.

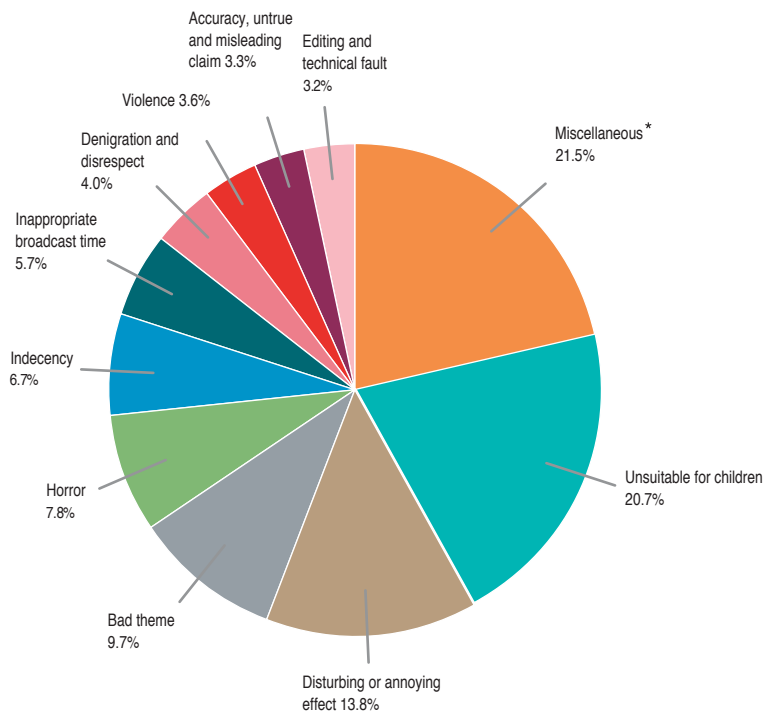
[^] The surge in the number of complaints in 2008 was due to the complaints received about the advertisement for a soft drink, which contained allegedly disgusting, unnerving, horrifying and indecent materials unsuitable for broadcast. These complaints were classified as unsubstantiated.

[#] The increase in the number of complaints in 2009 was due to the complaints received about the advertisement for a beauty treatment, which contained allegedly indecent materials unsuitable for children and youth. These complaints were classified as unsubstantiated.

[~] The surge in the number of complaints in 2013 was due to the complaints received about the advertisement for a smartphone game application, which contained allegedly violent and unnerving materials exerting bad influence on children and youth. These complaints were classified as unsubstantiated.

Most of the complaints were related to materials unsuitable for children, disturbing or annoying effect and bad themes. Detailed breakdowns of the complaints by nature are as follows –

Nature of Complaints about Advertising and Non-programme Materials on HKCTV

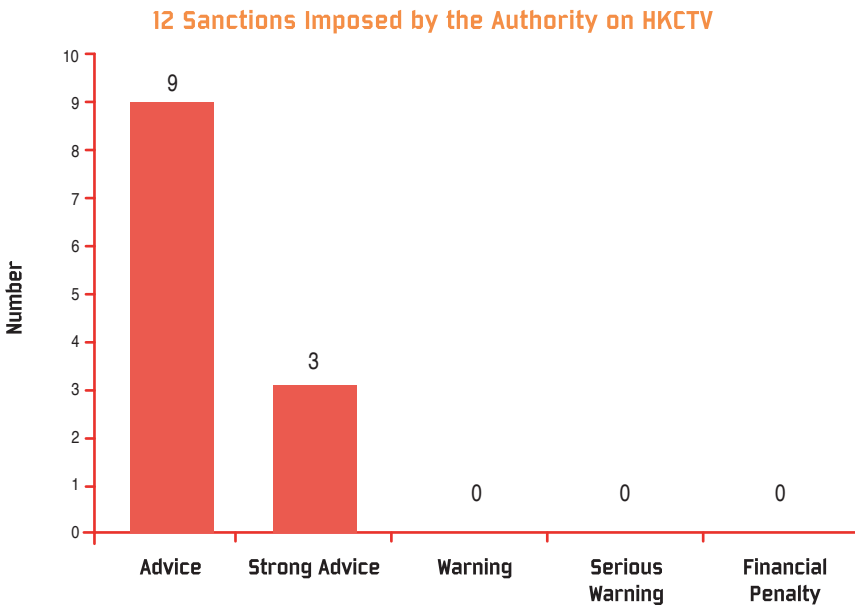


* Miscellaneous include adult nature material, bad language, dangerous acts, services/products unacceptable to be advertised, sex, superstition, etc.

Sanctions for Breaches Relating to Advertising and Non-Programme Materials

Of the 1,503 complaints (involving 363 cases) about advertising and non-programme materials received during the period from June 2005 to May 2015, the Authority found 162 of them substantiated and imposed 12 sanctions on HKCTV. 1,319 complaints were classified as unsubstantiated, outside the remit of the Authority or minor breaches by the Authority or the DG Com or former CTEL under delegated authority as the case may be⁴.

A breakdown of the sanctions is set out in the following chart –



⁴ The remaining 22 complaints are still being processed.

Breaches of Statutory and Licensing Requirements

During the period from June 2005 to May 2015, a strong advice was imposed on HKCTV for its failure to provide the recording of a programme under complaint for the Authority's examination in accordance with the requirement stipulated in its licence. There was no breach by HKCTV of the statutory requirements.

HKCTV's Submission on Investment Plan



The investment plan proposed by HKCTV for the period from 2017 to 2023 vis-à-vis that for 2011 to 2017 are set out below -

	1.6.2017 - 31.5.2023	1.6.2011 - 31.5.2017
Programming investment	\$3,196 million	\$2,975 million
Capital investment	\$251 million	\$318 million
Total	\$3,447 million	\$3,293 million

Highlights of Existing Programming and Advertising Requirements



Programming Requirements

General Principles

1. Licensees should ensure that their programmes are handled in a responsible manner and should avoid needlessly offending audiences by what they broadcast. In the presentation of television programmes, certain basic standards must be observed.

Scheduling

2. The licensees should ensure that the programmes on their licensed services are suitable for their likely audience. Nothing which is unsuitable for children or young viewers should be shown in programmes or on channels targeting children or young viewers. Programme material which is suitable for viewing by adults only should be clearly labelled as such.

Crime

3. Criminal activities, when depicted, must be consistent with and reasonably related to plot and character development. Crime should not be portrayed in a favourable light and criminal activities should not be presented as acceptable behaviour, nor should criminals be glorified.
4. The presentation of criminal techniques in such a way as to be instructional or invite imitation should also be avoided.
5. Scenes containing detailed instructions for, or illustrations of, the use of illegal drugs, harmful devices or weapons are not permitted.
6. Scenes showing triad ceremonies, rituals, hand signs and paraphernalia including cryptic poems and icons may only be permitted in programmes restricted for adult viewing.
7. Glorification of the power of triads and membership in a triad society should be avoided.

Gambling

8. Depictions of gambling should not be presented in a manner that would encourage gambling.

Adult Programmes

9. The licensee may include adult material in its licensed service subject to sufficient safeguards against children's access to such material. The licensee must devise a scheme to the satisfaction of the CA to ensure that children will not be exposed to adult material. No obscene material may be included in the television programme service. Obscenity includes also violence, depravity and repulsiveness.

Films Classified as Category III by the Film Censorship Authority

10. Where a Film Censorship Authority certification exists for the version of a film proposed for showing on programme services, it may be used as a guide to programming. The responsibility for ensuring the acceptability of a film ultimately rests, however, with the licensee. Subject to the rules set out in the Generic Code of Practice on Television Programme Standards, the licensee may show films which have been classified as Category III by the Film Censorship Authority under the Film Censorship Ordinance (Cap. 392) in the form as approved for exhibition as adult programmes. However, films which the Film Censorship Authority has refused to approve for exhibition should not be shown on programme services at all.

Use of Language

11. Bad language should not be used in programmes or on channels targeting children or young viewers. In other programmes or on other channels, the use of crude expressions with sexual connotations, more explicit adult jokes and other offensive language must be appropriate to the story line or programme context. The use of downright offensive language may only be permitted in programmes or on channels restricted for adults provided it is appropriate to the story line or programme context and not overly frequent and impactful.

Sex and Nudity

12. Depictions of sexual behaviour or nudity must be incidental, extremely discreet and absolutely necessary to the story line or programme context when they are included in programmes or on channels targeting children or young viewers. Intimate sexual behaviour may be implied or simulated and must not be grossly offensive in other programmes or on other channels. Sexually explicit scenes may only be shown in programmes or on channels restricted for adults.
13. Depictions of hard core material, or sexual acts with offensive perversion, are not permitted.

Violence

14. Physical and psychological violence, or violent or assaultive language which threatens or encourages the use of violence may not be presented in such a manner as to cause alarm or distress to children or young viewers in programmes or on channels targeting children or young viewers. Realistic depictions of violence must be appropriate to the programme context when they are shown in other programmes or on other channels. In any programmes or on any channels restricted for adults, violence with a higher degree of realism or impact may be depicted when justified by the context.
15. Sustained or excessively detailed acts of violence are not permitted.

Protection of Children

16. The licensee should be vigilant on the likely effects of all material shown on television on children.
17. The licensee should ensure that scenes likely to frighten, unnerve or cause pain to children should not be permitted in programmes targeting children.

Advisory Announcement

18. A programme or channel intended for viewing solely by adults should be clearly labelled as such.
19. Any programme containing material which is unsuitable for children or is likely to disturb some audience should carry an advisory or cautionary announcement together with a descriptive statement of problematic content.

Promotional Material for Adult Programmes or Channels

20. Promotional material for a programme or a channel showing material of an adult nature should be scheduled so as to be consistent with the nature of surrounding programmes, having regard to the likely audience of such programmes. Such promotional material should not be permitted on a channel targeting children and in or adjacent to a programme targeting children. Such promotional material included in or adjacent to a programme other than an adult programme should not include excerpts or other material that is not suitable for persons under 18 years of age.

Accuracy and Impartiality

21. The licensees should ensure that news is presented with accuracy and due impartiality. Correction of factual errors should be made as soon as practicable after the original error, or at the end of the current programme or the beginning of a subsequent programme.

22. The licensee must ensure that due impartiality is preserved as respects news programmes and any factual programmes or segments thereof dealing with matters of public policy or controversial issues of public importance in Hong Kong (except personal view programmes).

Fairness

23. The licensees have a responsibility to avoid unfairness to individuals or organisations featured in factual programmes, in particular through the use of inaccurate information or distortion.

Personal View Programmes

24. “Personal view programmes” are programmes in which the persons providing the service⁵ and/or the programme hosts and/or, 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.

25. Facts must be respected and the opinion expressed, however partial, should not rest upon false evidence.

26. A suitable opportunity for response to the programme should be provided. Licensees should be mindful of the need for a sufficiently broad range of views to be expressed in any series of personal view programmes.

Privacy

27. The licensee shall only collect material for broadcast purpose by means which are lawful and fair in the circumstances of the case.

28. Children should not be questioned to elicit views on private family matters, nor asked for expressions of opinion on matters likely to be beyond their judgement.

Indirect Advertising

29. 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. References to a sponsor or exposure of its product(s)/service(s) within programmes are subject to paragraph 5 of the advertising requirements below.

⁵ “Person providing the service” refers to a licensee and persons exercising control of a licensee as defined in section 1(6) of Schedule 1 to the Broadcasting Ordinance (Cap. 562).

Advertising Requirements

Advertising Time

1. There is no restriction on the amount of advertising time broadcast.

Restrictions on Advertising Materials

2. Television advertising should be legal, clean, honest and truthful.
3. The content, presentation and placement of all advertising material must comply with the Generic Code of Practice on Television Programme Standards.
4. Advertising material should be clearly identifiable as an advertisement. Distinctions must be maintained between advertisements and programmes. Advertisements (including sponsorship and product placement) built into programmes of channels acquired for direct re-transmission which are produced primarily for reception outside Hong Kong but which do not contribute to any advertising revenue of the licensee may deviate from this restriction where the licensee can demonstrate that compliance is not feasible without interrupting the licensee's television programme services.
5. All sponsorship must be clearly identified at the beginning and/or end of the programme and/or within the programme as part of a programme title, programme segment title or programme feature title, or by display of sponsorship references alongside the sponsorable material. Programmes of channels acquired for direct re-transmission provided by the licensee may deviate from this restriction but only when the licensee can demonstrate that this is unavoidable.
6. News programmes, programmes and announcements broadcast at the direction of the CA, religious service and other devotional programmes must not be sponsored.
7. All factual claims and best-selling claims should be capable of substantiation.
8. Advertisements for the following products or services (including but without limitation to) are not acceptable:
 - a. firearms and associated equipment;
 - 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. organisations/companies/persons seeking to advertise for the purpose of giving betting tips;
 - f. betting (including betting pools) except advertisements for lotteries, football and horse race betting which are authorised by or under the Betting Duty Ordinance (Cap. 108) and related publications and pre-recorded information services;
 - g. night clubs, dance halls, massage parlours, sauna houses, bath houses or similar establishments in which hosts or hostesses are employed for the primary purpose of attracting or entertaining customers or in which floor shows or other live performances or activities involving sexual behaviour of whatever nature are presented;
 - h. escort services in general and dating services targeting young persons under the age of 18;
 - i. pay per call information services which offer adult material of a sexual nature. The restriction is not applicable to licensed services restricted for adult viewing;
 - j. medical preparations listed in Part I of the Schedule to the Poisons List Regulation (Cap. 138B) and Schedule 1 to the Antibiotics Regulations (Cap. 137A);
 - k. smoking cessation (excluding nicotine replacement therapy);
 - l. prevention or treatment for any disease of hair or scalp (excluding prevention or treatment of dandruff by means of external applications);
 - m. pregnancy testing services;
 - n. clinical laboratory testing services;
 - o. relief or cure of alcoholism and drug addiction;
 - p. cosmetic surgery and slimming or weight reducing measures involving the use of medical preparations; and
 - q. procurement of miscarriage or abortion.
9. Indirect advertising of the unacceptable product or service is unacceptable.
10. Liquor advertising should not be shown in proximity to children's programmes; or programmes which, in the opinion of the CA, target young persons under the age of 18.
11. Particular care should be taken over advertising which is broadcast within or in close proximity to programmes targeting children; which is broadcast in a channel targeting children; or in which children are to be employed.
12. Subliminal advertising is not permitted.



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