

**For discussion on
11 January 2016**

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

**Procurement of Additional Production Equipment and System for
Further Developing
the Existing Digital Terrestrial Television Service
of Radio Television Hong Kong**

PURPOSE

This paper invites Members' views on the proposal to procure additional production equipment and system for further developing the existing digital terrestrial television (DTT) service of Radio Television Hong Kong (RTHK).

BACKGROUND

2. The Chief Executive-in-Council decided in September 2009 that RTHK should be tasked to fulfill the role of the public service broadcaster (PSB) in Hong Kong, and that RTHK should be allocated resources and frequency spectrum so that it may develop an all-round broadcasting service to the community, including the provision of dedicated digital television (TV) channels. The provision of DTT service is part and parcel of RTHK's expanded scope of services set out in the RTHK Charter after confirming public support for the services during public consultation in 2009-10.

JUSTIFICATION

Commencement of RTHK's Own DTT Service

3. In line with the provisions in the Charter, RTHK's DTT service aims to provide quality TV services that are not adequately provided by commercial TV broadcasters, and to provide a diversity of TV programmes to serve a broad spectrum of audiences and cater to the needs of the minority interest groups. With the allocation of frequency spectrum for development of DTT service and provision of resources required for operating DTT channels on its own, RTHK started launching the DTT service by phases. Trial run of RTHK's own DTT service began on 12 January 2014 with three high definition DTT channels, namely RTHK TV channels 31, 32 and 33 with the following details –

TV Channel	Programme	Current Broadcasting Hours	Remarks
31	Current affairs, education, arts and culture	Weekdays 11.5 hours daily (2:00 pm to 1:30 am) Weekends 13.5 hours daily (12:00 pm to 1:30 am)	Flagship channel offering general programme. The broadcasting hours have increased gradually since launch.

TV Channel	Programme	Current Broadcasting Hours	Remarks
32	Live event channel covering Legislative Council meetings and important local press conference and events of public interest.	Varying hours depending on the occurrence and duration of the live events and Legislative Council meetings	
33	Relay of China Central Television Channel 9 Documentary	24 hours	

4. At present, RTHK's DTT network coverage is able to reach about 75% of Hong Kong's population. 22 DTT fill-in stations are being constructed by phases with the target to increase the coverage to around 99% of the population in the first quarter of 2019, which will then be roughly on a par with the current commercial spectrum-based free TV programme service coverage.

Future Plans of RTHK's DTT Service

5. With the commencement of DTT service on a trial basis, RTHK has gradually increased the output of first-run TV programmes per year from 630 in 2012-13 (before commencement of DTT service) to 1 345 hours in 2015-16 (after commencement of DTT service), representing an increase of 715 hours (or 113%).

6. To dovetail with the expansion of network coverage and increase in number of households receiving RTHK's programmes upon completion of 22 DTT fill-in stations, RTHK plans to enhance the DTT service so as to prepare for a full launch of 24-hour service for RTHK TV

channel 31. At this point in time, RTHK plans to increase gradually its output of first-run TV programmes from 1 345 hours in 2015-16 by 205 hours to 1 550 hours in 2020-21, representing an increase of 13.5% of output hours. The increase in output hours will mainly be sourced from the acquired programmes and special commissioning aiming at nurturing the new local directors and producers.

7. On acquired programmes, RTHK will look for overseas and Mainland programmes to further widen the choice of Hong Kong audience. On special commissioning, RTHK plans to commission more productions per year to new local directors and student producers on dramas and documentaries as a nurturing scheme for local talents. Apart from the provision of funding, RTHK will provide a screening platform to showcase the new local talents' works for their first or early start-up venture into the media industry.

Need for additional production equipment and system

8. To cater for the increase in output hours of TV programmes in the coming years, additional production equipment and system are required to be procured for the processing and production of additional TV programmes to be acquired and commissioned. These include additional production workstations and servers with the required licenses, file-based quality checking system, near-line storage system and network equipment. The additional production equipment and system will be used to provide quality assurance for those additional acquired and commissioning TV programmes to ensure that they meet the current technical and programme standards promulgated by the regulatory authority.

FINANCIAL IMPLICATIONS

9. The estimated cost of production equipment and system is \$15.53 million which would be reflected in the budget estimates of the relevant years, with the breakdown as follows -

	<u>\$ million</u>
(a) Production workstations, servers, accessories and licenses	6.19
(b) File-based Quality Checking (QC) System	5.13
(c) Near-line storage system and network equipment	2.21
(d) Hardware and software for programme development on new media platform	0.50
(e) Contingency	1.50
Total:	<hr/> 15.53 <hr/>

10. Regarding paragraph 9(a) above, the estimate of \$6.19 million is for procuring additional production workstations and servers for processing additional acquired and commissioning TV programmes, including viewing machines, subtitling workstations, scheduling workstations, editing workstations for promotion, as well as expanding existing systems with associated software licences such as the Production Workflow System and Production Asset Management System.

11. Regarding paragraph 9(b) above, the estimate of \$5.13 million is for acquiring Ingestion System, Standard and Format Convertors, as well as Visual QC room system to increase the capacity of format changing and quality checking of the final products for transmission.

12. Regarding paragraph 9(c) above, the estimate of \$2.21 million is for increasing the storage and network capacity to cater for storing additional programme contents and interconnecting all additional workstations, servers and systems.

13. Regarding paragraph 9(d) above, the estimate of \$500,000 is for procuring hardware and software required for programme development on new media platform.

14. Regarding paragraph 9(e) above, the estimate of \$1.50 million represents 10.7% of the contingency on the items set out in paragraph 9(a) to 9(d) above.

15. The estimated cash flow requirement is as follows –

<u>Year</u>	<u>\$ million</u>
2016-17	10.87
2017-18	3.11
2018-19	1.55
Total:	15.53

16. We estimate that the additional annual recurrent expenditure arising from the project is around \$1.51 million. The amount will be absorbed within RTHK's existing resources and be reflected in the budget estimates of the relevant years.

IMPLEMENTATION PLAN

17. We plan to implement the proposed project according to the following schedule –

	<u>Activity</u>	<u>Target completion date</u>
(a)	Preparation of tender	June 2016
(b)	Invitation of tender	August 2016
(c)	Evaluation of tender and award of contract	October 2016
(d)	Installation and commissioning	February 2017

ADVICE SOUGHT

18. Members are invited to note and comment on the proposal.

**Commerce and Economic Development Bureau
Radio Television Hong Kong
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