

立法會
Legislative Council

LC Paper No. CB(4)1360/16-17
(These minutes have been seen
by the Administration)

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Panel on Information Technology and Broadcasting

Minutes of meeting
on Monday, 12 June 2017, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

- Members present** : Dr Hon Elizabeth QUAT, JP (Chairman)
Hon Charles Peter MOK, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon Jeffrey LAM Kin-fung, GBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon MA Fung-kwok, SBS, JP
Hon CHAN Han-pan, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon YUNG Hoi-yan
Hon CHAN Chun-ying
Hon HUI Chi-fung
- Members absent** : Hon WONG Ting-kwong, SBS, JP
Hon LEUNG Kwok-hung
Hon Steven HO Chun-yin, BBS
Hon CHAN Chi-chuen
Hon CHU Hoi-dick
Hon Nathan LAW Kwun-chung

**Public officers
attending**

: Agenda item IV

Commerce and Economic Development Bureau

Miss Susie HO, JP

Permanent Secretary for Commerce and Economic
Development (Communications and Creative
Industries)

Mr Edward TO

Deputy Secretary for Commerce and Economic
Development (Communications and Creative
Industries) (Special Duties)

Miss Drew LAI

Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Creative Industries) (Special Duties)

Agenda item V

Innovation and Technology Bureau

Mr Nicholas Wei-hsiung YANG, JP

Secretary for Innovation and Technology

Mr CHEUK Wing-hing, JP

Permanent Secretary for Innovation and Technology

Ir Allen YEUNG, JP

Government Chief Information Officer

Mrs Millie NG KIANG Mei-nei

Deputy Secretary for Innovation and Technology

Mr Ricky CHONG Kwok-man

Principal Assistant Secretary for Innovation and
Technology

Clerk in attendance

: Mr Daniel SIN

Chief Council Secretary (4)3

Staff in attendance : Mr Ambrose LEUNG
Senior Council Secretary (4)3

Ms Peggy CHUNG
Council Secretary (4)3

Miss Mandy LAM
Legislative Assistant (4)3

Action

I. Confirmation of minutes of meeting

(LC Paper No. CB(4)1079/16-17 -- Minutes of meeting held on
10 April 2017)

The minutes of the meeting held on 10 April 2017 were confirmed.

II. Information papers issued since the last meeting

(LC Paper No. CB(4)1139/16-17(01) -- Submission from a member
of the public received on 29
May 2017 regarding views
on broadcasting CCTV
programmes Channel 33 of
Radio Hong Kong (Chinese
version only)

LC Paper No. CB(4)1139/16-17(05) -- Hon HUI Chi-fung's letter
dated 26 May 2017
requesting a Joint Panel
meeting to discuss
legalizing Uber operations
(Chinese version only)

LC Paper No. CB(4)1139/16-17(02) -- Administration's responses
for Hon Claudia MO and
Hon Charles MOK's letters
dated 12 May 2017 and 15
May 2017 respectively on
matters relating to the
shareholding structure of
Television Broadcasts
Limited and the review of
the Broadcasting Ordinance

- LC Paper No. CB(4)1139/16-17(03) -- Hon Claudia MO's letter dated 12 May 2017 on matters relating to the shareholding structure of Television Broadcasts Limited (Chinese version only)
- LC Paper No. CB(4)1139/16-17(04) -- Hon Charles MOK's letter dated 15 May 2017 on matters relating to the review of the Broadcasting Ordinance (Chinese version only)
- LC Paper No. CB(4)1010/16-17(01) -- Press release on consultation paper on strengthening the regulation of Person-to-Person telemarketing calls)

2. Members noted that the above papers had been issued for the Panel's information.

III. Date of next meeting and items for discussion

- (LC Paper No. CB(4)1133/16-17(01) -- List of outstanding items for discussion
- LC Paper No. CB(4)1133/16-17(02) -- List of follow-up actions)

Regular meeting on 10 July 2017

3. Members noted that the next regular Panel meeting would be held on Monday, 10 July 2017 at 2:30 pm to discuss the following items:

- (a) Smart city development; and
- (b) Review on the regulation of person-to-person telemarketing calls.

Matters relating to the shareholding structure of Television Broadcasts Limited

4. The Chairman said that Ms Claudia MO and Mr Charles MOK had written to her requesting an agenda item be included in the Panel's next meeting or a special meeting be convened to discuss matters relating to the shareholding structure of Television Broadcasts Limited ("TVB") and the requirements on the identities of broadcasting service licensees. The Chairman said that the Secretariat had referred members' letters to the Administration who had provided a written response to the two members' queries. The Administration's reply had been circulated to members vide LC Paper No. CB(4)1139/16-17(02) on 6 June 2017.

5. The Chairman suggested that members could follow-up on the Administration's response during the Panel's discussion on the review of the Broadcasting Ordinance (Cap. 562) and the Telecommunications Ordinance (Cap. 106) under item IV of the agenda. She did not intend to convene a special meeting or include another agenda item in the Panel's next regular meeting in July to pursue the matter.

Suggested joint Panel meeting to discuss Uber operation

6. The Chairman said that Mr HUI Chi-fung had written to her expressing concern about the legality of Uber operation, and Mr HUI suggested that a joint Panel meeting with the Panel on Transport be convened to follow-up the matter.

7. The Chairman said that the issue on whether or not Uber's operation was legal did not appear to fall within the Panel's terms of reference; the Panel had not previously discussed Uber's operation. The Chairman said that members could express their views about the aspect on application of technologies in the Uber's case when the Panel discussed with the Administration on the development of smart city at the next regular meeting to be held on 10 July 2017.

IV. Review of Broadcasting Ordinance (Cap. 562) and Telecommunications Ordinance (Cap. 106)

(LC Paper No. CB(4)1133/16-17(03) -- Administration's paper on review of Broadcasting Ordinance (Cap. 562) and Telecommunications Ordinance (Cap. 106)

- LC Paper No. CB(4)1133/16-17(04) -- Paper on review of Broadcasting Ordinance (Cap. 562) and Telecommunications Ordinance (Cap. 106) prepared by the Legislative Council Secretariat (Background brief)
- LC Paper No. CB(4)1168/16-17(01) (tabled at the meeting and subsequently issued via e-mail on 13 June 2017) -- Administration's paper on review of Broadcasting Ordinance (Cap. 562) and Telecommunications Ordinance (Cap. 106) (power-point presentation materials) (Chinese version only)

Presentation by the Administration

8. At the invitation of the Chairman, Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries) (Special Duties) ("DS(SD)") briefed members on the review of Broadcasting Ordinance (Cap. 562) and Telecommunications Ordinance (Cap. 106) ("the Review") and gave a power-point presentation on the subject. Details of the briefings were set out in the paper provided by the Administration (LC Paper Nos. CB(4)1133/16-17(03) and CB(4)1168/16-17(01)).

Discussion

Shareholding structure of a local television station

9. Referring to the recent change of shareholding structure of TVB, Ms Claudia MO asked if the Administration would examine, in the review of Cap. 562, whether a holder of domestic free television programme service ("free TV") licence should be required to notify the Communications Authority ("CA") of any transfer of share ownership.

10. Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) ("PS(CCI)") advised that there were provisions in Cap. 562 that governed ownership requirements of free TV licensees. The Review would examine whether the current regime was appropriate. As regards the shareholding structure of TVB in particular, PS(CCI)

said that legal advice was being sought by the CA from outside counsel. In the light of the forthcoming advice, the CA would map out the next course of action in consultation with the counsel. PS(CCI) said that given the wide public concern, the CA would endeavour to proceed expeditiously, but the Administration could not commit at this stage when the process would be completed.

11. As regards the threshold percentages of the total voting shares of a free TV licensee to be owned by a voting controller who was not an ordinarily resident in Hong Kong ("non-local resident") requiring the approval of the CA, Mr Charles MOK commented that such issue required careful evaluation and the Administration should not jump to a quick conclusion that the threshold percentages must be changed just to facilitate acquisition of shares for sole investment purposes. Mr Alvin YEUNG expressed a similar view. PS(CCI) clarified that the Administration did not have a preconceived position on the regulatory arrangement.

12. The Chairman asked if the Administration had a timetable for the review on the threshold percentage ownership of free TV licence by non-local residents. PS(CCI) responded that there should first be community-wide discussion and consensus reached on the matter. In response to the Chairman, PS(CCI) added that the Administration had no preconceived positions regarding free TV licensees on the residency requirements of directors and principal officers and the threshold percentages of shareholding by non-local residents that required prior written approval by the CA. The objective of (a) requiring the majority of directors and principal officers to be local residents; and (b) requiring shareholding by non-local residents exceeding specified threshold percentages to be approved by the CA, was to ensure that programmes of free TV licensees could meet local taste. The Administration was open to additional/ alternative means which could help achieve the same objective. Ms Claudia MO commented that Hong Kong's market was small and she did not agree that the residency requirement should be relaxed.

13. Mr James TO commented that if the Administration relaxed the restriction to allow non-local residents to control local media too easily, and if it then turned out the foreign-controlled media did not cater to the taste of local audience in their productions, the local community might perceive that the Administration had sacrificed their interest in favour of non-local investors. He said that the Administration should give due consideration to local sentiments in the Review.

Scope of the Review

14. Mr Charles MOK commented that the Review was long overdue and, the current statutory licensing system for TV broadcasting was not operating as effectively as the Administration had described and should be reviewed. Mr MOK agreed with the Administration that issues such as the control of cross-media ownership and protection of underground telecommunications facilities were important and should be addressed in a timely manner.

15. In response to Mr Charles MOK's enquiry about public consultation, PS(CCI) said that the Administration planned to conduct a public consultation exercise with stakeholders, the Legislative Council and the community at large in end-2017/early-2018 on the key issues and approaches of the Review with a view to gauging views of stakeholders and reaching consensus on the proposed improvement measures so that early implementation could be achieved.

Protection of underground telecommunications facilities

16. Mr Alvin YEUNG commented that owners of underground telecommunications facilities could already seek criminal remedies under common law against damages. He queried why the Administration needed to impose criminal liability to enhance protection of such facilities. PS(CCI) said that the proposal was put forward by telecommunications service operators, on the ground that as telecommunications had become an essential service to the community, the statutory protection of telecommunications facilities should be brought to be on a par with those already in place for, for example, electricity and gas. Mr Alvin YEUNG agreed.

Over-the-top television services

17. The Chairman asked if the Administration would conduct a study on the regulation of over-the-top ("OTT") television services. PS(CCI) said that regulation of OTT was not covered in the current review as the Administration had no plan to regulate Internet broadcasting. If a broadcasting licensee used the Internet as a platform to extend its broadcasting services, such operation would not fall into the definition of cross-media ownership. PS(CCI) said that the Administration had been conducting an internal exercise to examine the developments of OTT services and their regulatory regimes in overseas jurisdictions, and found that OTT services were generally not regulated or regulated with a light-handed approach such as that in the United Kingdom.

18. Mr Alvin YEUNG noted the Administration's argument of not intending to regulate OTT television services. He said that OTT television services were becoming the mainstream and many commercial activities were, at present, being carried out through OTT services. Mr Alvin YEUNG expressed concerns that personal data were being transferred across the Internet through OTT television services, and he asked how the Administration would ensure that personal data of local consumers would be adequately protected. PS(CCI) replied that such commercial activities did not fall under the scope of the broadcasting control regime, but the Personal Data (Privacy) Ordinance (Cap. 486) and other relevant legislation should have provisions that covered protection of personal data and privacy issues in the cyber world as in the offline setting.

Cross-media ownership

19. The Chairman asked what the progress was in the Administration's review on the issue of cross-media ownership and whether the Administration would engage consultancy to study the subject. Mr CHAN Chun-ying queried whether the Administration would allow a person to hold licence of more than one type of media.

20. Mr CHAN Chun-ying also asked whether the Administration would introduce new policy on foreign language programmes to be provided by local television licensees. As regards the provision of non-English foreign language TV programmes, PS(CCI) said that there was currently no such requirement on TV licensees.

21. PS(CCI) said that the Administration had been conducting an internal study on the subject of cross-media ownership, covering overseas experiences and practices of their regulatory regimes as appropriate. Consultants might be engaged to study certain specific issues, if necessary. She said that in some jurisdictions, a person or corporation might own more than one type of media so long as the coverage or market share of the media outlets did not exceed specified limits. In some other jurisdictions, a person or corporation might hold a certain number of licences, say two out of three specified types of media.

Definitions of "disqualified persons" and "associates"

22. In response to an enquiry from Ms Claudia MO, DS(SD) explained the need for a review of the definitions of "disqualified persons" ("DPs") under Cap. 562 and Cap. 106 and the definition of "associates". DS(SD) said that the concepts of DPs in Cap. 562 and Cap. 106 were similar although the definitions were slightly different. The Administration would examine whether the

wording of the definitions should be aligned. As to the definition of "associates", DS(SD) said that operational experiences had showed that the current definition covered a wide net of stakeholders and had sometimes resulted in cases where the DPs being caught only had a remote relationship with the licensees.

V. Progress report on Innovation and Technology Fund for Better Living and Digital Inclusion

(LC Paper No. CB(4)1133/16-17(05) -- Administration's paper on Innovation and Technology Fund for Better Living and Digital Inclusion

LC Paper No. CB(4)1133/16-17(06) -- Paper on Innovation and Technology Fund for Better Living and Digital Inclusion prepared by the Legislative Council Secretariat (Updated background brief)

Presentation by the Administration

23. At the invitation of the Chairman, Secretary for Innovation and Technology ("S for IT") briefed members on the Innovation and Technology Fund for Better Living ("FBL") and Digital Inclusion ("DI"). Details of the briefing were set out in the paper provided by the Administration (LC Paper No. CB(4)1133/16-17(05)).

Discussion

Helping the elderly population and community with special needs

24. Mr Chan Chun-ying asked if the Administration had invited research and development ("R&D") institutions, elderly service organizations and universities to discuss the needs and problems faced by elderly people so that applicants for FBL could address more accurately the needs of the elderly in their applications. Mr Chan Chun-ying also commented that the number of elderly people benefited from the Information and Communications Technology ("ICT") Outreach Programme for the Elderly was small compared with the entire elderly population. Mr CHAN asked whether the Administration would reach out to more elderly people through family members and school students.

25. S for IT said that local service agencies were encouraged to adapt suitable overseas innovative technologies to serve the local community. Government Chief Information Officer ("GCIO") said that apart from the ICT Outreach Programme for the Elderly, the Administration had also provided funding support for non-profit social service organizations to develop digital inclusion mobile apps that addressed the needs of specific community groups, including the elderly. GCIO said that an example was the mobile app recently developed by the Hong Kong Young Women's Christian Association for helping elderly people connect with their family members and friends and hence broaden their social circles.

26. Mr CHAN Chun-ying asked how the Assessment Panel of FBL would consider applications and, in particular, whether heavier weighting would be accorded to applications for development of products that addressed the needs of the elderly community. Mr Alvin YEUNG asked whether the Assessment Panel included members from the social services sector or whether it would seek views of the sector when considering applications that targeted at the community with special needs.

27. Permanent Secretary for Innovation and Technology ("PS(IT)") said that the application guide of FBL had set out the assessment criteria and the respective distribution of weightings, including: benefits brought to the public or specific community group(s), innovation and technology content, feasibility and sustainability, financial considerations, and technical and management capability of the applicants. PS(IT) added that two members of the Assessment Panel had strong social service background and could advise on the needs of the vulnerable groups. Relevant bureaux and departments ("B/Ds") would be consulted on the individual FBL applications, if necessary, and be invited to the Assessment Panel meetings to tender advice.

28. Mr MA Fung-kwok commented that many elderly people might not be able to afford to use the Internet or mobile communications service. He asked if the Administration would provide financial or other assistance to encourage them to use the services. GCIO said that the Administration reached out to the elderly people through its social service partners which would provide necessary support and advice to facilitate elderly people to access the Internet or mobile services.

29. Mr MA Fung-kwok asked whether the Administration had studied the pattern of the use of the Internet or mobile services by elderly people, whether and to what extent elderly people used social media, and the usual problems or difficulties they encountered when accessing the services. He also asked

whether the Innovation and Technology Bureau ("I&TB") or other B/Ds provided the resources for enabling the elderly and other low income groups to use the Internet and mobile communications services.

30. S for IT said that during his visits to elderly people in the community, he observed that many elderly people living alone had benefited from using Internet and mobile communication services. The use of social media had helped expand elderly people's social network and tighten their connection with family members. Some were using mobile apps that promoted healthy living. S for IT added that the I&TB would provide support to initiatives which met the objective of making people's daily living more convenient, comfortable and safer through FBL.

Use of the Innovation and Technology Fund for Better Living

31. Mr Charles MOK commented that individuals of the target groups for which the mobile apps or other products or services were developed using FBL might not be able to use such services if they did not have mobile phones in the first place. Mr MOK asked if the funding under FBL could be used to subsidize low income groups or vulnerable groups to buy mobile phones. Mr Alvin YEUNG agreed with Mr Charles MOK.

32. PS(IT) responded that FBL could be used not only for supporting the development of mobile apps but also for production of software or services which targeted at the needs of specific community groups. Using FBL to subsidize low income or vulnerable groups to buy mobile phones might not be cost effective because, at a ceiling of \$5 million per application, the number of beneficiaries would likely be limited. PS(IT) added that the I&TB would explore with other B/Ds on whether resources or other means of support could be made available to help low income groups to acquire mobile phones and to make use of the services and products developed under FBL.

33. Mr Charles MOK asked if FBL could also be used to support government departments to improve services to the public through the use of technologies. PS(IT) responded that another \$500 million had been set aside for providing support for Government departments to adopt or develop technologies to improve public services.

Performance indicators

34. The Chairman asked if the Administration would develop performance indicators to measure the effectiveness of FBL in promoting digital inclusion, especially among elderly people, young people, new arrival women and people

with disabilities. She added that such indicators should facilitate the Administration in identifying the groups in the community who might be in need of support.

35. S for IT said that the main objectives of FBL were to make people's daily living more convenient, comfortable and safer, or address the needs of specific community groups. The Administration would measure the extent to which FBL met these objectives. PS(IT) said that applicants for FBL would be required to indicate the target beneficiary group(s) of the proposed projects, the number of people expected to benefit from the projects and how the efficacy would be measured. PS(IT) added that the number of FBL applications submitted and approved would also serve as indicators to reflect the success of FBL.

36. The Chairman suggested that the Administration should set performance indicators and targets in respect of each of the vulnerable groups or communities with special needs for further promotion of digital inclusion. S for IT agreed to consider the Chairman's suggestion.

Promoting digital inclusion

37. The Chairman commented that it was important to promote digital inclusion among people with disabilities. The Chairman commented that promoting digital inclusion was one of the Administration's major policy initiatives for many years, but it appeared that the Administration still had not had a thorough understanding of the situation. She suggested that the Administration should devote more efforts and resources to address the issue and map out a strategy on promoting digital inclusion. S for IT said that the Administration was aware of the situation and would consider developing new key performance indicators to further promote digital inclusion having regards to technological advancement.

VI. Any other business

38. There being no other business, the meeting ended at 4:33 pm.