

**For discussion on
15 March 2021**

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

**The Governance and Management of
Radio Television Hong Kong**

Purpose

This paper briefs Members on the Governance and Management of Radio Television Hong Kong Review Report (the Review Report).

Background

2. In recent years, the management and programme contents of Radio Television Hong Kong (RTHK) have been a cause of public concern. RTHK, as the public service broadcaster (PSB), has been repeatedly ruled to have breached the relevant codes of practices issued by the Communications Authority (CA)¹ in 2019-20 and 2020-21. The situation is very serious and aroused public scrutiny whether RTHK is subject to appropriate monitoring in terms of its editorial principles, stance, programming quality and standards in the production of programmes.

3. In addition, the Audit Commission submitted to the Legislative Council in October 2018 the Report No. 71 of the Director of Audit, which made a number of recommendations regarding RTHK's low television ratings and public awareness, programme performance evaluation, procurement of survey services, and engagement of contract staff/service providers. RTHK accepted all recommendations and has been taking follow-up actions. While some follow-up actions have not been completed, further measures will be formulated to continue to improve its radio and television services.

¹ In 2019-20 and 2020-21 (as at February 2021), the CA found a total of seven substantiated complaint cases concerning RTHK's programmes, including one serious warning, three warnings and two strong advices.

4. In light of the above, the Commerce and Economic Development Bureau (CEDB) announced in May 2020 the establishment of a dedicated team to review the governance and management of RTHK and to provide recommendations on improving its overall management systems, processes and practices, with a view to ensuring full compliance with the Charter of RTHK (the Charter), the codes of practices issued by the CA and all applicable government rules and regulations. The scope of the review is as follows:

- (1) to review RTHK's administration, including financial control, human resources management and procurement matters to ensure that its manpower and resource deployment complies with all applicable government rules and regulations, and that such deployment is made for the effective delivery of services under programme areas as set out in paragraphs 17 to 20 of the Charter, and where necessary, to identify scope for improvement;
- (2) to review RTHK's progress of implementing the recommendations of the Report No. 71 of the Director of Audit, including the need for a transparent and objective system for setting performance targets and benchmarks for measuring results; and
- (3) to review RTHK's overall management systems, processes and practices, making reference to best practices of other PSBs, to ensure full compliance with the Charter and the codes of practice on programming standards issued by the CA.

5. The dedicated team conducted a review on the governance and management of RTHK from July 2020 to January 2021, and submitted a report to CEDB. CEDB released the Review Report of the dedicated team on 19 February 2021².

² The Review Report has been uploaded onto the website of CEDB:
<https://www.cedb.gov.hk/ccib/en/consultations-and-publications/reports/rthkreview.pdf>

The Roles and Positioning of RTHK

6. The roles of RTHK are clearly defined in the Charter. RTHK is both a government department and the only PSB in Hong Kong. This arrangement is unique and important.

7. In recent years, the work of RTHK has been a cause of public concern. Views of or complaints against RTHK's programmes have escalated into discussions about RTHK's roles, stance and positioning which have become increasingly intensified and polarised. Some in the community take the view that RTHK, as a government department funded by public money, is required to promote government policies positively. On the other hand, some people consider that as a broadcaster, RTHK enjoys editorial independence under the Charter, so it is legitimate for RTHK to criticise government policies as necessary, and other parties (including the Government) should not volunteer any opinion on its programmes. However, both viewpoints have only considered RTHK's work from one of its two roles.

8. RTHK's performance and programme quality should be measured considering whether it has delivered the mission and roles specified in the Charter, so that its work can be evaluated in a more objective and impartial manner. The Government has also upheld the principles and standards specified in the Charter in dealing with matters relating to RTHK, including the review of the governance and management of RTHK by the dedicated team.

9. Paragraph 4 of the Charter specifies that as the PSB in Hong Kong, RTHK is to fulfil specified public purposes, which include sustaining citizenship and civil society. This involves -

- (1) promoting understanding of our community, our nation and the world through accurate and impartial news, information, perspectives and analyses;
- (2) promoting understanding of the concept of "One Country, Two Systems" and its implementation in Hong Kong; and
- (3) engendering a sense of citizenship and national identity through programmes that contribute to the understanding of our community and nation.

10. The Charter specifies that while RTHK is editorially independent, it should at the same time observe its editorial obligations. Paragraph 7 thereof points out that RTHK will adhere to the following editorial principles -

- (1) be accurate and authoritative in the information that it disseminates;
- (2) be impartial in the views it reflects, and even-handed with all those who seek to express their views via the public service broadcasting platform;
- (3) be immune from commercial, political and/or other influences; and
- (4) uphold the highest professional standards of journalism.

RTHK's Relationship with CEDB, Board of Advisors and the CA

11. The work of RTHK is subject to monitoring by relevant authorities. The Charter specifies RTHK's relationship with CEDB and the Board of Advisors, as well as the role of the CA in regulating RTHK's programme contents. The three parties will discharge their respective functions and responsibilities.

12. Paragraph 13 of the Charter specifies that the Board of Advisors will advise the Director of Broadcasting on all matters pertaining to editorial principles, programming standards and quality of RTHK programming, and receive reports on complaints against such matters. In addition, RTHK should also comply with the relevant codes of practices issued by the CA for regulating the standards of programmes broadcast by broadcasting licensees. CEDB will also oversee whether RTHK, as a government department, complies with all applicable government rules and regulations, including those on financial control, human resources management and procurement matters.

Major Findings and Recommendations of the Review Report

13. The dedicated team reviewed the governance and management of RTHK in six areas, namely mechanisms for editorial management and complaints handling, performance measurement and evaluation, management of RTHK's workforce, financial management, stores and procurement, and information technology management. The major findings and recommendations of the Review Report are set out in the Annex.

14. The issue of editorial management, which has aroused extensive public concern, involves how RTHK can specifically abide by the Charter, whether it can address community expectations and public complaints, and how it can fulfil its mission as specified in the Charter and duly uphold the highest professional standards with editorial independence. In addition, performance measurement and evaluation as well as management of RTHK's workforce are also crucial to the overall governance and management of RTHK.

Mechanisms for Editorial Management and Complaints Handling

15. The Review Report points out that RTHK lacks an effective mechanism, clear guidelines and robust systems to ensure that RTHK's programmes can duly comply with the Charter. RTHK's editorial decisions rest principally with individual production units based on their own judgment. The Editor-in-chief and senior management have been put in a passive position in the programme production process. RTHK has not established a proactive and collaborative partnership with the Board of Advisors to seek advice from the Board of Advisors on matters pertaining to editorial principles, programming standards and quality. In addition, RTHK's handling of complaints lacks transparency. There is no assurance that public complaints have been handled properly and impartially.

16. In light of the above, the Review Report recommends that RTHK should put in place a robust and transparent editorial process to enhance editorial governance, with clearly defined editorial responsibilities at each editorial level and highlighting the decision-making role of the Editor-in-chief and directorate officers. RTHK should formulate a comprehensive set of editorial policies and guidelines for compliance by all its staff. Transparency and editorial

training should be strengthened. Steps should be taken to ensure that lessons are learnt from serious breaches. RTHK should also establish a proactive and collaborative partnership with the Board of Advisors, and seek advice actively from the Board of Advisors on matters pertaining to editorial principles, programming standards and quality as well as public complaints relating to these matters. In addition, in the interest of transparency, RTHK should enhance its complaints handling mechanism to ensure that public complaints received are handled properly and impartially.

Performance Measurement and Evaluation

17. The Review Report points out that the key performance indicators used by RTHK are not linked to the Charter for assessing the performance in terms of public purposes, mission and targets. The public and stakeholders are unable to assess the extent to which RTHK has fulfilled the requirements of the Charter. RTHK's regular reports only carry technical data and programme production/transmission information, without offering any review nor explanation on RTHK's extent of achievement towards its public purposes and mission with regard to its production. They also do not evaluate audience feedback. RTHK has not provided detailed reports with management analyses and performance measurement to the Board of Advisors and CEDB.

18. In this connection, the Review Report recommends that RTHK should set more meaningful performance targets/indicators to facilitate evaluation of the extent of its achievement of the public purposes and mission stipulated in the Charter, and produce a more detailed annual plan and annual report, outlining its strategy and indicators, and reporting the results and achievements to the public, the Board of Advisors and CEDB.

Management of RTHK's Workforce

19. The Review Report mentions that RTHK currently engages a mix of workforce to deliver its public broadcasting services. Besides over 700 civil servants (most of them belong to the Programme Officer (PO) grade), there are some 2 200 contract staff and freelance service providers. However, RTHK does not have a holistic monitoring and training programme to ensure that its staff can maintain a consistent level and quality of services, and that all RTHK staff (be they civil

servants, contract staff or freelance service providers) have a comprehensive understanding of the Charter, including RTHK's obligations as a PSB and a government department.

20. The Review Report recommends that RTHK should formulate a holistic departmental manpower strategy to critically review and rationalise the role and core functions, the skillset requirements as well as the streaming arrangement of the PO grade and to strengthen training; review and improve the administration of its non-civil service contract staff and freelance service providers to ensure administrative efficiency and cost-effectiveness; formulate a code of conduct applicable to RTHK members in or out of the course of their work; properly manage compliance risks; and ensure that all RTHK members have a comprehensive understanding of the Charter, including RTHK's obligations as a PSB and a government department.

Way Forward

21. RTHK management will study the Review Report in detail, and follow up by drawing up priority improvement measures, an action plan and a timetable to fully implement the recommendations. CEDB will spare no effort in monitoring the progress of the reform of RTHK.

22. During the implementation process, RTHK should fully seek advice from the Board of Advisors and other stakeholders. RTHK should also actively improve its day-to-day administration (including finance, procurement and information technology) and comply with all applicable government regulations.

Advice Sought

23. Members are invited to note the content of this paper and give their views.

**Communications and Creative Industries Branch
Commerce and Economic Development Bureau
8 March 2021**

**The Governance and Management of Radio Television Hong Kong
Review Report
Major findings and recommendations**

(1) Mechanisms for editorial management and complaints handling

Editorial management

- There are deficiencies in editorial management mechanism. There is no well-defined and properly documented editorial processes and decisions, nor clear allocation of roles and responsibilities among editorial staff. Weak editorial accountability is observed. Editorial decisions rest principally with individual production units/officers based on their own judgment. The Editor-in-chief and senior management have been put in a passive position in the programme production process;
- The “upward referral” and “mandatory referral” mechanisms for dealing with contentious and sensitive issues operate largely through verbal communication;
- Radio Television Hong Kong (RTHK) has not put in place measures for quality assurance or compliance risk management prior to and during production, and prior to broadcast;
- RTHK does not effectively set out or explain, through any comprehensive policy documentation and detailed guidance, how the principles specified in the Charter of RTHK (the Charter), the Producers’ Guidelines and relevant codes of practice issued by the Communications Authority should be interpreted and applied in practice, so as to ensure that the programmes comply with standards; and
- RTHK has not proactively sought advice from the Board of Advisors on matters pertaining to editorial principles, programming standards and programming quality as required under the Charter.

Complaints handling

- The handling of complaints lacks transparency. There is no assurance that public complaints have been handled properly, objectively and impartially;
- The classification of complaints as “programme-related” is too broad and too loose, failing to differentiate which ones are related to editorial principles (such as whether the programmes are accurate and impartial);
- It allows a complaint to be investigated by the same officer/unit producing the programme under complaint, regardless of the gravity of the complaint, giving rise to role conflicts. Investigation and follow-up action of such cases are not properly documented. Nor is there any mechanism to ensure that the referral arrangements are strictly observed;
- Comprehensive reports and analyses on public complaints received and handling of serious non-compliant cases are not submitted to the RTHK management, the Commerce and Economic Development Bureau (CEDB) and the Board of Advisors; and
- Only complaint statistics are disclosed. RTHK has not set out to the public details of complaints handling and the follow-up actions taken on individual cases.

Recommendations:

- To enhance editorial governance, RTHK should put in place a robust and transparent editorial process, with clearly defined editorial responsibilities at each editorial level and highlighting the decision-making role of the Editor-in-chief and directorate officers;
- To formulate a comprehensive set of editorial policies and guidelines for compliance by all its staff. Transparency and editorial training should be strengthened. Steps should be taken to ensure that lessons are learnt from serious breaches;
- To establish a proactive and collaborative partnership with the Board of Advisors. To seek advice actively from the Board of

Advisors on matters pertaining to editorial principles, programming standards and quality of programming as well as public complaints relating to these matters;

- In the interest of transparency, RTHK should enhance its complaints handling mechanism to ensure that public complaints (with special emphasis on editorial complaints) received are handled properly and impartially; and
- To keep records of complaint investigation and follow-up action properly in order to enhance risk management against non-compliant cases.

(2) Performance measurement and evaluation

- The key performance indicators used by RTHK are not linked to the public purposes and mission as set out in the Charter. The public and stakeholders are unable to assess the extent to which RTHK has fulfilled the requirements of the Charter;
- Regular reports only carry technical data and programme production/transmission information (such as total hours of transmission). The reports do not offer any review nor explanation on RTHK's extent of achievement towards its public purposes and mission with regard to its production. They also do not evaluate audience feedback. The Controlling Officer Report, Annual Plans and Annual Reports do not have good information for reference; and
- RTHK has not provided detailed reports with management analyses and performance measurement to the Board of Advisors and CEDB.

Recommendations:

- To set more meaningful performance targets/indicators to facilitate evaluation of the extent of its achievement of the public purposes and mission stipulated in the Charter; and
- To produce a more detailed annual plan and annual report, outlining its strategy and indicators, and reporting the results and

achievements to the public, the Board of Advisors and CEDB.

(3) Management of RTHK's workforce

- RTHK does not have a holistic departmental manpower strategy, heavily relying on full time/part-time Non-Civil Service Contract staff (around 400) and Cat. II service providers (over 1 800 providers, around 3 000 service contracts);
- There is a total of around 540 civil service posts in the Programme Officer (PO) grade, divided into 14 work types under two main streams. The pre-mature streaming has resulted in departmental silos which impede collaborative working across professions. In the absence of structured training and posting arrangements, individual officers have limited exposure beyond their respective work types. The compartmentalised mode of operation in RTHK renders divisional/sectional considerations focusing mainly on short-term operational needs to take precedence over wider longer-term corporate interests. This is not conducive to the grooming of leadership in RTHK, and has significant implications for succession in the department.
- Administration of contract staff and freelancers has been devolved to divisions, yet without adequate corporate-level monitoring to ensure administrative efficiency and cost-effectiveness; and
- Cat. II service providers are not RTHK staff or employees. The originally approved scheme, endorsed by the Finance Committee of the then Legislative Council, covers five service categories (namely casual artists, disc jockeys, scriptwriters, researchers and contributors), which have proliferated over the years to cover 76 different job titles currently. Some of these job titles duplicate typical duties of the PO grade; and administration for Cat. II service providers is loose, especially in areas such as approval of contracts, engagements, declaration of interests, conduct and performance evaluation etc. As these contracts are awarded by production units without going through open procurement process, there would be a chance of conflict of interests.

Recommendations:

- To formulate a holistic departmental manpower strategy to critically review and rationalise the role and core functions, the skillset requirements as well as the streaming arrangement of the PO grade, and to strengthen training. Pre-mature streaming and compartmentalised approach in staff management would also be reviewed with a view to enhancing professionalism and fostering internal synergy to better meet RTHK's operational and succession needs and to sustain the department's long-term development;
- To review and improve the administration of its non-civil service contract staff and Cat. II service providers to ensure administrative efficiency and cost-effectiveness;
- To ensure that all RTHK members have a comprehensive understanding of the Charter, including RTHK's obligations as a public service broadcaster and a government department;
- To formulate a code of conduct applicable to RTHK members in or out of the course of their work, properly manage conflicts of interest and compliance risk to safeguard RTHK's reputation and credibility; and
- To critically review whether the current design of the Cat. II scheme adheres to the original intention and scope as approved by the Finance Committee.

(4) Financial management

- RTHK's budgetary planning process is not fully aligned with its business planning cycle. Budgetary planning often focuses on short-term operations; and
- RTHK has not conducted post-year end review of financial performance and evaluation of cost-effectiveness in the use of departmental resources, which could assist planning for the next budgetary cycle and funding allocation for the new financial year.

Recommendations:

- To integrate its financial and business planning, driven by a holistic corporate strategy covering the short to medium term, with the aim to assist budgetary planning and funding allocation for the new financial year; and
- To involve Finance and Resources Unit (FRU) more closely in the Resource Allocation Exercise process. The FRU could provide more professional input with regard to strategic functions and systemic issues in financial management. In addition, RTHK management should actively engage the Systems Review Unit to step up compliance checks and conduct more value for money audits to examine RTHK's operations and activities with a view to providing assurance that resources are utilised efficiently, effectively and economically.

(5) Stores and procurement

- The over-reliance on procurement by quotation rather than open tendering, inadequate planning (e.g. short quotation invitation period), a deficient Departmental Supplies List and the lack of a control mechanism at the central department level are not conducive to the achievement of value through open and fair competition.

Recommendations:

- To initiate a strategic review to assess the effectiveness of its procurement system. Professional support for supplies-related matters also needs reinforcement. RTHK should step up oversight of procurement activities in the department and provide strategic input; and
- To conduct reviews on supplies activities in RTHK in its regular compliance audits, interpret the financial limits set out in the Stores and Procurement Regulations strictly and consult relevant expert departments for advice on procurement-related matters, where necessary.

(6) Information technology management

- RTHK operates in an industry disrupted by media convergence. Yet, the department lags behind in harnessing the potential of information, communication and technology (ICT) to raise its corporate performance.

Recommendations:

- To formulate a comprehensive information technology (IT) strategic plan and maximise the value of ICT in achieving the department's business objectives; and
- To conduct an organisational review with a view to rectifying the prevailing fragmented approach to IT management in the department.
