

**立法會**  
**Legislative Council**

LC Paper No. CB(1)922/99-00  
(These minutes have been  
seen by the Administration)

Ref : CB1/PL/ITB/1

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

**Minutes of meeting**  
**held on Monday, 13 December 1999, at 2:30 pm**  
**in the Chamber of the Legislative Council Building**

- Members present** : Hon MA Fung-kwok (Chairman)  
Hon SIN Chung-kai (Deputy Chairman)  
Hon Kenneth TING Woo-shou, JP  
Hon David CHU Yu-lin  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon CHAN Kwok-keung  
Hon Howard YOUNG, JP  
Hon YEUNG Yiu-chung  
Hon Emily LAU Wai-hing, JP  
Hon CHOY So-yuk  
Hon Timothy FOK Tsun-ting, SBS, JP
- Members attending** : Hon Mrs Selina CHOW LIANG Shuk-ye, JP  
Hon Ambrose LAU Hon-chuen, JP
- Members absent** : Hon Eric LI Ka-cheung, JP  
Hon Fred LI Wah-ming, JP  
Prof Hon NG Ching-fai  
Hon James TO Kun-sun  
Hon LAW Chi-kwong, JP
- Public officers attending** : For Items III & IV  
Ms Eva CHENG  
Deputy Secretary for Information Technology  
and Broadcasting

For Item III

Mr Eddy CHAN  
Commissioner for Television and  
Entertainment Licensing

Ms Ava CHIU  
Assistant Commissioner for Television and  
Entertainment Licensing (Broadcasting)

For Item IV

Mr Anthony S K WONG  
Director-General of Telecommunications

Mr M H AU  
Senior Assistant Director (Regulatory),  
Office of the Telecommunications Authority

For Item V

Mr Alan SIU  
Principal Assistant Secretary for Information  
Technology & Broadcasting

Mr Simon YAN  
Assistant Director  
Management and Community Services  
Information Technology Services Department

- Attendance by invitation** : For Item III  
Mr KWAN Wai, Peter  
Head of News  
Asia Television Ltd
- Clerk in attendance** : Miss Polly YEUNG  
Chief Assistant Secretary (1)3
- Staff in attendance** : Ms Sarah YUEN  
Senior Assistant Secretary (1)4
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**I Confirmation of minutes of meeting and matters arising**  
(LC Paper Nos. CB(1)277/99-00 and 543/99-00(01))

The minutes of the Panel meeting held on 12 October 1999 were confirmed.

2. Members noted the Panel's list of follow-up actions.

**II Date and items for discussion for next meeting**

3. Members agreed to discuss the following items at the next meeting to be held on Monday, 10 January 2000, at 2:30 p.m. -

- (a) Y2K monitoring and co-ordinating arrangements for roll-over to 1 January 2000;
- (b) Progress of the Cyberport project; and
- (c) The Hong Kong Supplementary Character Set.

*(Post-meeting note: As the Administration had indicated that it would not be ready to report on major provisions of its agreement with Pacific Century Group on the Cyberport Project before February 2000, with the concurrence of the Chairman, item (b) was subsequently replaced by "increase in service fees by mobile telephone operators".)*

4. Members also agreed to include "registration of Internet domain names" into the Panel's list of outstanding issues.

**III News reporting**

5. The Chairman explained that this item had been included into the agenda in response to concerns expressed earlier on by the public and the news media about Asia Television Ltd (ATV)'s deployment of television artistes as newscasters since 19 October 1999. Members noted that letters had been issued to five organisations including ATV and the chairperson of the Broadcasting Authority (BA) inviting them to take part in the discussion of this item. However, with the exception of ATV, all other deputations had replied that they would not be able to attend the meeting.

6. As far as consideration of this item by the Panel was concerned, Mrs Selina CHOW opined that great care had to be exercised in order not to give an impression that LegCo members were trying to interfere in the autonomy of TV operators as there already existed sufficient channels for the public to express

concerns and lodge complaints and where necessary, malpractice could be dealt with according to law. Moreover, the public could also exercise their rights by choosing not to view a programme if they found it unsatisfactory. In response, the Deputy Chairman, who proposed the item, explained that his main purpose for raising the issue was to ascertain whether the arrangement was in compliance with existing legislation or procedures. He said that there was no intention to probe into the operations of commercial TV broadcasters.

#### Meeting with ATV

(LC Paper No CB(1)543/99-00(02))

7. The Chairman welcomed Mr KWAN Wai of ATV and invited him to address the Panel. Mr KWAN briefed members on ATV's submission. In gist, ATV considered the arrangement appropriate as the two artistes' employment contract had already been changed to that of news staff and further training would be provided to them. Judging from their performance on their new assignments, the professional quality of ATV's news programmes had not been compromised. He stressed that most important of all, the editorial independence of ATV's news team had in no way been affected.

#### *Effect of the arrangement*

8. On whether the arrangement in question could enhance the quality of ATV's news programmes and hence, viewers' interest in them, Mr KWAN Wai pointed out that such improvements had yet to be seen but ATV would keep up efforts in this direction.

9. As to improvements in ratings, Mr KWAN Wai reported that in the first two weeks, the ratings had gone up to double digits and thereafter remained in the range of 8 to 10 points. He explained that direct comparison with past ratings was difficult as the "Main News" programme concerned had also been rescheduled so that different time slots were involved. While admitting that the arrangement was aimed at making news programmes more appealing, he pointed out that according to ATV's observation, most viewers were in fact attracted by the contents and approach of the news programmes rather than by the newscasters deployed.

#### *Complaints received by BA*

10. Miss Emily LAU referred to the complaints received by BA against ATV Home's "Main News" programme and sought Mr KWAN Wai's comments. In reply, Mr KWAN said that not all the complaints were directed at the deployment of artistes as newscasters. On Miss LAU's query on whether the arrangement was in line with professional journalistic practice, Mr KWAN pointed out that the deployment of artistes as newscasters could be traced back to the sixties by Rediffusion TV and to the seventies by the Television

Broadcasts Limited (TVB) and many famous journalists were also not formally trained in journalism. He did not consider ATV's arrangement inconsistent with professional practice. However, he assured members that for the time being, the arrangement would only apply to the "Main News" programme.

11. On the frequency of rescheduling ATV Home's "Main News" programme, which was also a subject for complaint, Mr KWAN Wai reported that ATV's news programme at 6:00 p.m. had been rescheduled to 6:25 p.m. in early October 1999 and again to 7:30 p.m. on 19 October 1999. To cater for those viewers accustomed to watching a full news report on ATV at 6:00 p.m., the 6:00 p.m. news flash had been lengthened to 15 minutes in early November 1999 and then restored to the original duration of 30 minutes on 13 December 1999. While acknowledging that such changes had given rise to some confusion, Mr KWAN stressed that sufficient notice of the changes had been given beforehand and that the changes had been made to facilitate viewing of news reports by the public. He pointed out that with the introduction of "News Highlights" throughout the day, ATV's total time for broadcasting news had been increased considerably. Nevertheless, he said that ATV would try and avoid frequent rescheduling of its news programmes in future. Mr Kenneth TING agreed that the increase in news sessions might help enhance the interest of the public in news programmes.

12. Miss Emily LAU asked whether ATV had, as alleged, deliberately softened its news programmes to provide "infotainment" to attract viewers in the face of keen competition. Mr KWAN Wai replied in the negative and clarified that "soft" news and hence entertainment news had been included in ATV's "Main News" programme simply to balance the "hard" news.

13. The Chairman sought clarification on concerns about whether ATV's senior management was trying to interfere with the operation of its news department. In response, Mr KWAN Wai stressed that since he became head of ATV's news department on 15 October 1999, he had been reporting directly to ATV's Chief Executive Officer. Although he had received some suggestions from different departments from time to time, he said that he did not feel any interference from senior management.

#### *Other concerns*

14. On the possibility of producing Putonghua news reports, Mr KWAN Wai advised that ATV was contemplating such plans in consideration of the growing number of immigrants and tourists from the Mainland but further details had yet to be worked out.

15. As to Miss Emily LAU's question on the response of ATV news team to the deployment of artistes as newscasters and staff turnover, if any, as a result, Mr KWAN Wai reported that no negative response had come to his notice, nor

was he aware of any resignation directly related to the arrangement. He considered the resignation of a few staff members in an establishment with over 100 employees just normal turnover and was hardly a cause for alarm. On whether staff of the news department had accepted the arrangement, Mr KWAN considered the fact that they had chosen to stay on their job an indication of their acceptance.

Meeting with the Administration

(LC Paper Nos. CB(1)543/99-00(03) and 594/99-00)

*Complaints received by BA*

16. On details of the 42 complaints received by the BA against ATV Home's "Main News" programme during the period 19 October 1999 to 3 November 1999, the Commissioner for Television and Entertainment Licensing (C for T&EL) reported that 20 of them were related to the deployment of artistes as newscasters, 15 were on the mixing of "hard" news and "soft" news, seven were directed against excessive entertainment news, seven were on the frequent rescheduling of the news programmes, one concerned the accuracy of the weather information provided in one specific edition of the news programme, and the remaining one was on the mispronunciation of a Chinese term by the newscaster.

17. Reporting on how the above complaints had been handled and BA's rulings, C for T&EL elaborated that BA would first ascertain whether the complaints involved a possible breach of the legislation, ATV's licence conditions or the Commercial Television Code of Practice on Programme Standards. Where there appeared to be a prima facie case of a possible breach of the relevant provisions, the complaints would then be referred to the BA's Complaints Committee for consideration. In the present case, the BA had found three types of complaints out of a total of 42 to be relevant, namely, complaints about the accuracy of the news reports, complaints about mispronunciation and about the failure to keep news programmes well-balanced and reasonably comprehensive. ATV was then invited to make a representation to the BA. Following a detailed consideration of ATV's representations, the BA had arrived at the conclusion that the three types of complaints as mentioned above were substantiated. ATV was accordingly advised to observe the relevant provisions of the Codes of Practice on Programme Standards. As in other complaint cases, the BA's findings in this particular case were made public through the issue of a press release. C for T&EL further advised that as the relevant legislation, licence conditions or code of practice did not contain provisions setting out the qualification requirements of newscasters/presenters, ATV had the autonomy to deploy its staff to be newscasters or presenters.

18. On the number of complaints against ATV Home's "Main News" programme, if any, after 3 November 1999, C for T&EL confirmed that no new complaints had since been received, neither had there been any incident of non-compliance with relevant provisions during the said period.

19. In reply to the Chairman and the Deputy Chairman on whether ATV's senior management had been found to be interfering with the operation of its news department, C for T&EL reported that according to ATV's representation, the member of the senior management referred to was only acting as an adviser and all editorial decisions of ATV's news department rested with the Head of News and other senior staff members of the department.

*Programme matters*

20. Regarding the production of Putonghua news reports, C for T&EL advised that according to both ATV and TVB's licence conditions, their Chinese channels were only allowed to broadcast programmes in Cantonese. Their English channels were however allowed to broadcast programmes in languages/dialects other than English and Cantonese up to 20% of their daily broadcasts outside prime time (i.e., 5 p.m. to 11 p.m.). As far as he understood, there were already Putonghua news reports on ATV's English channel after 11 p.m.

21. On whether there were any regulation on the amount of news programmes on TV, C for T&EL pointed out that there were only minimum requirements, i.e., the licensee should broadcast in each language service a minimum of two comprehensive news bulletins, each of not less than 15 minutes, between 6:00 p.m. to 12:00 midnight everyday.

**IV Network access charges**

(LC Paper No. CB(1)543/99-00(04))

22. The Senior Assistant Director (Regulatory), Office of the Telecommunications Authority (SAD(R)/OFTA) briefed members on the Administration's paper. In reply to the Chairman, he confirmed that consultation would be conducted on both the Public Non-exclusive Telecommunications Service (PNETS) charge and the Local Access Charge (LAC) in early January 2000.

23. In response to the Deputy Chairman's concern about whether the recent reduction in PNETS charge by 18% was reasonable, the Director-General of Telecommunications (DG Tel) explained that PNETS charge was the interconnection charge paid to Cable & Wireless HKT Telephone Limited (CWHKTC) for the use of its network by Internet Service Providers and was calculated on the basis of the actual costs of CWHKTC in providing its

network plus a reasonable rate of return in consideration of the risks involved in network investment. For this purpose, CWHKTC had to provide to TA quarterly accounts of such costs. The PNETS charge had in fact been worked out by dividing such costs by the number of minutes its network had been used. It was not the result of a conscious decision to fix the reduction rate at 18%. As such, CWHKTC's rebalancing of local tariffs to bring them into line with the level of costs would have no implications on the level of the PNETS charge because such a move would only affect CWHKTC's income, not the cost of its network.

24. In reply to Mr Howard YOUNG on the purpose and implications of proposing the adoption of a two-tier charging structure for the PNETS charge, DG Tel explained that the cost of setting up the connection for a call (the call attempt cost) was a fixed cost on a per call basis whereas that of maintaining that connection would be on a per minute basis. As such, the adoption of a two-tier charging structure which would comprise separate charges for call attempt cost per call and conveyance cost per minute should provide a more accurate basis for allocating costs. DG Tel further denied plans to encourage or discourage any user pattern behind the proposal and assured members that public consultation on the proposed charging structures would be conducted to ensure acceptance.

25. Pointing out that the LAC constituted one-third of external service providers' cost of providing the service, the Deputy Chairman was concerned about the possibility of further reductions in LAC as a result of the above mentioned consultation. In response, DG Tel pointed out that the current level of LAC was fair having regard that the cost incurred in constructing local networks could hardly decrease due to the high costs of the associated road-opening works, network maintenance and provision of in-building distribution systems, while the charge for use of the external gateway had become much cheaper as a result of technological developments which had greatly enlarged its capacity. He also clarified that consultation on LAC would mainly focus on the costing methodologies and such cost components as the cost of capital.

26. Addressing Miss CHOY So-yuk's concern about the transparency of and consensus, if any, on the cost calculation formula of the LAC, DG Tel and SAD(R)/OFTA reported that a series of consultation with the industry had been conducted before setting the relevant principles and costing methodologies though figures provided by individual operators to the relevant cost models were their commercial secrets. On whether the Administration would vet the cost allocation of individual operators to ensure the operation cost reported could represent the true picture, DG Tel assured members that they had to provide their accounts according to an accounting manual prescribed by TA giving cost breakdowns for checking to guard against unfair cross subsidy.

**V Capital Works Reserve Fund Head 710 Computerisation Subhead A007GX - New Administrative Computer Systems**  
(LC Paper No. CB(1)543/99-00(05))

27. The Principal Assistant Secretary for Information Technology and Broadcasting (PAS/ITB) briefed members on the funding requirement for 2000-01 for the implementation of computerisation projects under Capital Works Reserve Fund (CWRP) Head 710 Computerisation Subhead A007GX - New Administrative Computer Systems. He advised that the relevant funding request would be put to the Public Works Subcommittee (PWSC) and the Finance Committee (FC) for consideration on 15 December 1999 and 7 January 2000 respectively. He also clarified that in paragraph 2 of the paper, the last sentence should be amended to read "Under the authority of the Financial Secretary, we are allowed a maximum level of over-commitment of up to 150% of the expenditure approved by the Finance Committee for the block allocation for a financial year."

Further details

28. In response to Mr Kenneth TING, PAS/ITB clarified that of the \$560 million required under Subhead A007GX, about \$155 million was needed to cover expenditures incurred in 2000-2001 for carrying forward approved projects which had commenced in 1999-2000. He also confirmed in reply to the Deputy Chairman that such projects did not include projects deferred from 1999-2000. Members noted that as an over-commitment of 150% would be allowed under the authority from FS, subject to FC's approval of the proposed allocation of \$560 million, the maximum level of commitment in 2000-01 under the block allocation for covering the expenditure of all approved projects in 2000-01 and in subsequent years would be \$1,400 million.

29. At the Chairman's request for further information on the more than 200 other items with expected expenditure in 2000-2001 referred to in Annex B to the Administration's paper entitled "Key expenditure items in 2000-01 under Head 710 Computerisation Block Allocation", PAS/ITB reported that the Finance Bureau would see to it that a detailed list of all relevant items would be lodged with the LegCo Secretariat for members' reference before the relevant PWSC meeting.

Pace of computerisation

30. While stating his support for this funding proposal, the Deputy Chairman questioned the adequacy of the financial provisions for computerisation and urged the Administration to ensure that Government's computer systems could be upgraded to meet the needs of the times. In response, PAS/ITB clarified that the sum sought only covered projects costing between \$100,001 and \$10 million each. Projects which cost more than \$10

million each were funded under separate subheads and were subject to the approval of the FC individually. Projects costing not more than \$100,000 each were also funded from the respective Departmental Expenses subheads under the Recurrent Account. Government total expenditure on computerisation was in fact far greater than the sum sought under this funding proposal. In response to Miss CHOY So-yuk, PAS/ITB also confirmed that the Government Office Automation programme would be completed in late 2000.

#### Effect of computerisation

31. In reply to Miss CHOY So-yuk's question about estimates on productivity enhanced as a result of computerisation, PAS/ITB reported that such would differ from project to project. While the upgrading of the document management system for business registration applications in the Inland Revenue Department to be implemented in the following year costing only \$9 million would bring savings in staff costs of \$7.6 million in 2002-03 and \$14.8 million annually from 2003-04 onwards, some computerisation projects might not directly relate to the Enhanced Productivity Programme (EPP). Addressing Miss CHOY's concern about the small number of new projects related to the implementation of EPP, PAS/ITB pointed out that in fact, most computerisation projects would lead to enhanced productivity. However, only projects which explicitly highlighted enhanced productivity as their key objectives would be so classified.

32. On whether systems established for the purpose of service expansion would give rise to requests for additional staffing support, PAS/ITB assured members that FB would exercise great care in approving such requests as computerisation should in general enable departments concerned to cope with increased workload without a corresponding need in additional staff.

#### Other concerns

33. On whether staff training could keep up with the pace of computerisation, PAS/ITB confirmed that the Administration attached great importance to training. The Civil Service Training and Development Institute and the Information Technology Services Department were working closely in providing the necessary training to the civil service team to improve their computer competence.

34. Regarding the disposal of old computers replaced by newer models, PAS/ITB advised that the Government Supplies Department would arrange for such computers to be sold or given to other organisations in accordance with established procedures.

35. The meeting ended at 4:15 p.m.

Legislative Council Secretariat  
2 February 2000