

立法會
Legislative Council

LC Paper No. CB(1)712/03-04
(These minutes have been seen
by the Administration)

Ref : CB1/PL/ITB/1

Panel on Information Technology and Broadcasting

Minutes of meeting
held on Friday, 5 December 2003, at 8:30 am
in Conference Room A of the Legislative Council Building

Members present : Hon SIN Chung-kai (Chairman)
Hon Howard YOUNG, SBS, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Dr Hon Eric LI Ka-cheung, GBS, JP
Hon CHAN Kwok-keung, JP
Hon YEUNG Yiu-chung, BBS
Hon Emily LAU Wai-hing, JP
Dr Hon LAW Chi-kwong, JP
Hon Albert CHAN Wai-yip
Hon MA Fung-kwok, JP

Members absent : Dr Hon Philip WONG Yu-hong, GBS
Hon Timothy FOK Tsun-ting, SBS, JP

Public officers attending : Agenda item IV

Mr Robin C GILL, JP
E-government Coordinator,
Commerce, Industry and Technology Bureau

Mr Simon YAN
Assistant Director of Information Technology Services

Agenda item V

Mrs Marion LAI, JP
Deputy Secretary for Commerce, Industry and
Technology (Communications and Technology)

Ms Gracie FOO
Deputy Director-General of Telecommunications

Mr K S WONG
Assistant Director of Telecommunications

Mr Tony LI
Principal Assistant Secretary for Commerce, Industry
and Technology (Communications and Technology) E

Ms Sharon CHUNG
Head of Corporate Affairs
Office of the Telecommunications Authority

Agenda item VI

Mr Francis HO, JP
Permanent Secretary for Commerce, Industry and
Technology (Communications and Technology)

Mrs Marion LAI, JP
Deputy Secretary for Commerce, Industry and
Technology (Communications and Technology)

Mr Eddie CHEUNG
Principal Assistant Secretary for Commerce, Industry
and Technology (Communications and Technology) A

Mr T Y CHAN
Chief Telecommunications Engineer
(Advisory and Planning)
Office of the Telecommunications Authority

**Attendance by
invitation** : Agenda item V

Consumer Council

Mr CHAN Wing-kai
Head, Complaints & Advice Division

Dr Victor HUNG
Chief Trade Practices Officer

Clerk in attendance : Miss Polly YEUNG
Chief Assistant Secretary (1)3

Staff in attendance : Ms Debbie YAU
Senior Assistant Secretary (1)1

Miss Chris LAM
Clerical Assistant (1)2

Action

I Confirmation of minutes

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| LC Paper No. CB(1)370/03-04 | -- Minutes of the Panel meeting on
23 October 2003 |
| LC Paper No. CB(1)472/03-04 | -- Minutes of the Panel meeting on
10 November 2003 |

The minutes of the Panel meetings on 23 October 2003 and 10 November 2003 were confirmed.

II Date and items for discussion for next meeting

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| LC Paper No. CB(1)470/03-04(01) | -- List of outstanding items for
discussion |
| LC Paper No. CB(1)470/03-04(02) | -- List of follow-up actions |

2. Members noted and agreed to discuss the following items proposed by the Administration at next Panel meeting to be held on Monday, 12 January 2003:

- (a) Half-yearly report on progress of Cyberport Project;
- (b) Progress update on E-government development; and
- (c) 2003 Surveys on IT Usage and penetration in the Household and Business sectors.

III Paper issued since last meeting

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| LC Paper No. CB(1)436/03-04 | -- Report of the Working Group on
Digital Entertainment |
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3. Members noted the said report issued since last meeting.

**IV Capital Works Reserve Fund
Head 710 Computerization Subhead A007GX -
New administrative computer systems**

LC Paper No. CB(1)470/03-04(03) -- Information paper provided by the Administration

LC Paper No. CB(1)490/03-04(01) -- Extract of minutes of meeting of the Panel on Information Technology and Broadcasting held on 9 December 2002

4. At the invitation of the Chairman, the E-government Coordinator, Commerce, Industry and Technology Bureau (EGC/CITB) briefed members on the funding requirement of HK\$540 million for the implementation of computerization projects under the Capital Works Reserve Fund Head 710 Computerization Subhead A007AGX for 2004-05. He said that balancing the need for fiscal prudence with the need to sustain the E-government programme, and taking into account past expenditure pattern, the requirement for 2004-05 was appropriate. Members noted that the relevant funding request would be put to the Public Works Subcommittee (PWSC) and the Finance Committee for consideration in December 2003/January 2004.

New projects to enhance IT security

5. Noting that there were ten new projects costing a total of \$10 million for enhancing information technology (IT) security, Mr Howard YOUNG asked if these were departmental projects in addition to government-wide IT security measures. In view of the prevalence of computer virus and frequent hacking activities, he considered that projects on IT security should be given top priority. Given the emergence of new viruses from time to time, Mr YOUNG was concerned whether the expenditure on acquiring updated anti-virus software would be absorbed in the recurrent expenditure of individual departments.

6. Acknowledging Mr YOUNG's concern, EGC/CITB said that the Information Security Management Committee had been established in 2000 to oversee IT security within the entire government. To ensure the security of departmental computer systems, each department had set up their own security management structure. The ten new projects in question would be implemented within the framework of these structures. So far, 42 departmental IT security projects costing some \$129 million had been implemented.

7. On government-wide IT security measures, the Assistant Director of Information Technology Services pointed out that in addition to developing the firewall infrastructure for the website of each bureau/department on the Internet, the Information Technology Services Department (ITSD) had also issued IT Security Guidelines introducing relevant security concepts and best practices related to the usage of IT to all bureaux/departments. Where necessary, ITSD would assist

bureaux/departments to establish their own IT security working groups to implement measures specific to the needs and operation of the application systems of individual bureaux/departments. In case there was an IT security incident such as a virus attack or computer hacking, the Government Information Security Incident Response Office (GIRO) would provide central co-ordination and support to individual departments by disseminating security alerts, providing technical assistance to departments in handling the incident and combating multiple-point security attacks. GIRO also worked closely with the Co-ordination Centre of Hong Kong Computer Emergency Response Team (HKCERT) established under Hong Kong Productivity Centre. Members noted that HKCERT also maintained contacts with overseas CERTs to provide IT security support in general to local enterprises and Internet users and obtain timely information on preventive measures against IT security hazards.

Funding requirement and allocation

8. Noting that the proposed allocation for 2004-05 had been reduced by 22% over that of 2003-04, Mr YEUNG Yiu-chung was worried that such reduction might affect the quality of government service. The Chairman was concerned whether bureaux/departments had in fact shelved the needed improvements to existing computer systems due to funding constraints caused by the deficit problem.

9. In response, EGC/CITB pointed out that \$310 million of the proposed block allocation of \$540 million was needed to fund projects initiated in 2003-04 or earlier while the balance of \$230 million was required to fund 86 new bids. He explained that the implementation period for computerization projects could be longer or shorter than 12 months. Some might not commence implementation at the beginning of a financial year and thus might straddle more than one financial year. As such, some projects would need to be carried over from the previous year. To cater for this arrangement, an over-commitment for a given financial year was allowed under the block vote system. He stressed that projects initiated in 2003-04 or earlier would be carried out when the departments were ready to take them forward. There was no question of the Administration holding projects back pending funding availability. For new bids, EGC/CITB remarked that successful projects had been subject to stringent vetting procedures and some of the submissions had been returned to individual bureaux/departments for further improvement and revision. Members noted that the capital cost of computer projects costing between \$150,001 and \$10 million was funded under the proposed block allocation. On whether some departments might have refrained from bidding for new projects because they had to fund the recurrent cost of these projects from their own resources, EGC/CITB said that having regard to the number of submissions received, such case(s), if any, should be very few in number.

10. Ms Emily LAU asked whether funding priority would be given to those projects proposed by departments whose services were in high demand in order to maintain and improve the efficiency and quality of service.

11. In response, EGC/CITB confirmed that there was no priority list as such. However, in allocating funding, the major factors for consideration included the material benefits brought to the public in terms of improvement in the quality of service and speed of transactions. The new projects to be implemented included four main categories, namely projects to enhance IT security, projects to support

departmental operations, projects related to office automation and those providing electronic services to the public. He added that bureaux/departments could put up new bids during 2004-05 if the requirements could be justified, subject to the ceiling of \$540 million on the block allocation for the year.

Productivity gains

12. Ms Emily LAU sought information on the savings in terms of manpower and other resources expected to be achieved from the implementation of the proposed computerization projects; and whether any possible deletion of posts or redundancy would result. In reply, EGC/CITB said that about 50% of the 20 representative projects in 2004-05 as set out in Annex B of the Administration's paper were expected to bring about realizable savings. Where manpower savings would result, the Administration would consider re-deploying those staff whose duties would be largely computerized to take up other duties.

13. To facilitate members' consideration of the cost-effectiveness of the computerization projects, Ms Emily LAU considered that the Administration should provide information on the estimated savings, if any, resulting from the projects. In this connection, EGC/CITB informed members that in accordance with the ongoing practice, details of individual projects would be set out in the full list of block allocation items to be submitted by the Administration to PWSC and a copy of the full list would be deposited with the Clerk to PWSC for interested members' perusal. Noting Ms Emily LAU's concern, EGC/CITB said that the Administration would include information on details of estimated savings in respect of the 86 new bids to facilitate PWSC's consideration. Ms Emily LAU reiterated that the Administration should be mindful of the need to provide information on savings or otherwise in the relevant funding submissions.

Admin

(Post-meeting note: The information on the realizable and notional benefits arising from the 86 new projects to be implemented in 2004-05 provided by the Administration has been circulated to all Members on 12 December 2003 vide PWSC(2003-04)54 and LC Paper No. PWSC29/03-04.)

14. Summing up, the Chairman expressed his disappointment at the considerable reduction in proposed funding allocation for the implementation of computerization projects. While appreciating the need to trim expenditure in the face of the current deficits, he nevertheless considered that the Administration should make the best use of the present opportunity of falling prices to take forward the needed computerization projects, instead of holding back such projects which might become more costly to implement when the economy picked up again.

V Broadband Internet services

- LC Paper No. CB(1)470/03-04(04) -- Information paper provided by the Administration
- LC Paper No. CB(1)490/03-04(02) -- Complaints received by the Consumer Council on broadband Internet services
(Chinese version tabled was subsequently circulated to members vide LC Paper No. CB(1)515/03-04)
- LC Paper No. CB(1)470/03-04(05) -- Question on "Speed of Broadband Conveyance/Access Services" raised at the Council meeting on 13 March 2002 and the Administration's reply (re-circulated)
- LC Paper No. CB(1)470/03-04(06) -- Question on "Development of Broadband Internet Network" raised at the Council meeting on 19 June 2002 and the Administration's reply (re-circulated)

15. At the invitation of the Chairman, the Deputy Director-General of Telecommunications (DDG/Tel) briefed members on the number and nature of consumer complaints handled by the Office of Telecommunications Authority (OFTA) related to broadband Internet access services, the outcome of complaint investigation, as well as initiatives taken/to be taken by OFTA in protecting consumer interests in this regard. The Head, Complaints & Advice Division of the Consumer Council (H/CAD, CC) also briefed members on the number and nature of complaints received by the Consumer Council (CC) and the action taken.

Actions taken by Consumer Council

16. While agreeing in principle that effective competition was the best safeguard to protect consumer interest, Mr YEUNG Yiu-chung enquired about the possible courses of action that could be taken by CC against alleged deceptive sales conduct/misleading advertisements on broadband Internet services, and whether such action included public censure or publication of product/service information to enable consumers to make informed choices.

17. Referring to the recent public censure issued by OFTA against a telecommunications company on alleged misleading advertisements, H/CAD, CC remarked that CC had been working with OFTA in taking action against telecommunications companies engaged in trade malpractices that were detrimental to consumers' interest. To assist consumers to make informed choices, CC had published reports on the price and quality of Internet access services, as well as an opinion survey comparing the quality of service between different broadband Internet Service Providers (ISPs) based on users' opinion and experience in various issues of the "CHOICE" magazine.

Benchmarking

18. To gauge the extent of consumers' satisfaction or otherwise on the quality of broadband Internet services, Ms Emily LAU sought information, if any, on Hong Kong's international ranking in terms of quality of service and consumer satisfaction. Noting that complainants might lodge their complaints with both CC and OFTA, she said that the number of complaints might have been double-counted. Ms LAU therefore urged the Administration to devise an arrangement to consolidate the number of consumer complaints on broadband Internet services so as to reflect more accurately the extent of the problem.

19. As regards Hong Kong's international ranking, the Deputy Secretary for Commerce, Industry and Technology (Communications and Technology) (DSCIT(CT)) and DDG/Tel pointed out that as revealed in the results of the International Telecommunication Union (ITU)'s Digital Access Index (DAI) published in November 2003, Hong Kong's performance was encouraging. The DAI, which covered 178 economies worldwide, had used eight indicators to measure achievement in terms of the availability of infrastructure, affordability of access, knowledge level, Internet subscription/bandwidth, and Internet usage. In terms of overall performance, Hong Kong ranked seventh and was second to Republic of Korea in developed Asia-Pacific. Hong Kong also topped other economies in terms of Internet affordability (Internet tariff as a percentage of per capita income). On the quality of broadband Internet services, DDG/Tel remarked that it would be difficult, if not impossible, to conduct a cross-economy comparison since the expectations and needs of Internet users in different places might vary. She added that a rising number of consumer complaints on broadband Internet services was not a phenomenon unique to Hong Kong and was found in other economies as well. To facilitate members' consideration, the Chairman requested the Administration to provide details of DAI to the Panel and where appropriate, to include the information when reporting to members the results of the annual thematic surveys on IT usage and penetration at the Panel's next regular meeting in January 2004.

Admin

(Post-meeting note: Information on Hong Kong's ranking on DAI provided by the Administration has been circulated to members on 8 December 2003 vide LC Paper No. CB(1)534/03-04)

20. On whether the number of complaint cases reported to CC and OFTA might have been double-counted, DDG/Tel explained that it was possible for a complainant to lodge the same complaint with both agencies. Nevertheless, CC and OFTA had their respective jurisdiction in handling consumer complaints. Specifically, CC had a role in giving advice on contract terms and/or following up court cases filed by consumers while OFTA was more concerned with enforcing competition safeguards and industry standards as provided under the Telecommunications Ordinance (Cap 106) (TO) and relevant licence conditions. Notwithstanding their individual statutory responsibility, CC and OFTA would, as far as practicable, made the best endeavor to assist the aggrieved complainants and would try not to refer complaint cases between themselves. DDG/Tel and H/CAD, CC assured members that OFTA and CC would continue to work in close co-ordination. Nevertheless, noting Ms Emily LAU's concern, DDG/Tel undertook to follow-up with CC on whether the compilation of complaint statistics could be improved.

Admin

Sales practices and handling of consumer complaints

21. Mr Albert CHAN expressed grave concern about the large number of complaints on broadband Internet services received by his office in the past few years and gave a detailed account on the nature of complaints received. These included residents being irritated by unauthorized door-to-door salesperson at night, elderly residents being insulted as IT-ignorant, salespersons misleading household members to enter into contracts with the service providers, and discrepancies between the actual level of services/charging arrangements and those depicted by the salespersons. Mr CHAN said that some sales agents had not even disclosed the companies they represented, thus making the follow-up of complaints impossible. He pointed out that the increase in the number of complaints received by CC from 2 042 in 2001 to 2 562 in 2003 was indicative that no effective measure had been devised by OFTA to improve the situation and he considered this unacceptable.

22. In response, DDG/Tel said that OFTA had from time to time received consumer complaints referred by LegCo Members or Members of District Councils. If the complaints involved conduct which was misleading or deceptive in nature, OFTA would investigate to see if the telecommunications service licensees concerned had breached certain provisions of the TO or licence conditions. Where a prima facie case could be established, OFTA would take further action in accordance with TO and the complainant would also be invited to assist in the investigation. DDG/Tel also remarked that OFTA was aware of the increasingly intensive sales tactics due to keen competition in the telecommunications market. OFTA had been working closely with CC in assisting the telecommunications industry to draw up industry codes of practice and to adopt best industry practices in their provision of service to the public. Referring to certain malpractice by debt collecting agencies which had been rectified through their compliance with the industry's code of practice, DDG/Tel anticipated that the problem of undesirable sales practices in the telecommunications market could also be contained through the industry's self-regulation.

23. Mr Albert CHAN did not subscribe to the Administration's response. Given that the problem was aggravating, he considered that the Administration could not rely solely on self-regulation by the industry. He criticized the Administration for not taking active enforcement measures to address the problem.

24. On OFTA's role in dealing with consumer complaints, DSCIT(CT) and DDG/Tel reiterated that as the telecommunications market of Hong Kong was now fully liberalized and highly competitive, the light-handed regulatory approach adopted by OFTA was appropriate. The Administration would not seek to micro-manage and set rules on how individual operators should conduct their business as market forces and competition were instrumental in encouraging operators to improve their quality of service.

25. While reckoning that the Administration would not set rigid standards on quality of service for the telecommunications industry to follow in order not to limit consumers' choices, Ms Emily LAU noted that under section 32D of TO, the Telecommunications Authority could in fact prescribe standards and specifications of telecommunications networks, systems, customer equipment and services etc. She remarked that the Administration should consider doing so when the circumstances so warranted.

26. Ms Emily LAU noted that a working group on broadband Internet access services would be set up under OFTA. She enquired about the progress of work undertaken by the working group and when the service providers would be ready to publish their respective level of performance based on the identified performance indicators.

Admin 27. In response, DDG/Tel reiterated the importance of providing sufficient information to enable consumers to make informed choices in selecting broadband services which best suited their needs. The working group would convene its first meeting very soon and the Administration would take the opportunity to discuss with representatives of ISPs, trade associations as well as organizations representing consumers and users to identify the performance indicators (such as network availability and the service level of customer hot-line), how they were to be defined, measured and published. In this connection, Ms Emily LAU requested the Administration to convey members' concerns to the working group and to report the outcome of the first meeting to the Panel. Ms LAU also asked the Administration to keep the Panel posted of the progress of work of the working group, such as the publication of performance level of individual service providers.

On-street marketing activities

28. Referring to the chaotic marketing activities on broadband Internet/telephone services in busy urban areas, Mr Albert CHAN considered the situation intolerable and would tarnish Hong Kong's image as an advanced metropolitan city. In this connection, he was very concerned whether these sales activities were subject to the same control as other on-street hawking activities. Mr CHAN said that it would be grossly unfair if the salespersons of major telecommunications companies selling their services would not be regulated while individual street hawkers who were not under the employment of large corporations were subject to strict control.

29. Mr Howard YOUNG took a different view and remarked that intensive on-street promotion might have the effect of enhancing the usage and penetration of Internet services in Hong Kong. To a certain extent, these activities also helped create employment opportunities for young people. While he would not agree to prohibit such on-street marketing activities, Mr YOUNG considered that such activities should be regulated if they caused obstruction and nuisance. He considered that another enforcement agency, not OFTA, should be responsible for ensuring that all on-street hawking and marketing activities were conducted in a proper manner. Referring to the Panel's overseas duty visit to the Republic of Korea last year, Mr YOUNG commented that intensive marketing effort might be one of the factors contributing to the success of the IT sector in the Republic of Korea, which had achieved the highest ranking on the DAI in developed Asia-Pacific.

Admin 30. In response, DDG/Tel pointed out that the Food and Environmental Hygiene Department (FEHD) was currently the authority responsible for hawker management and control in Hong Kong. She observed, and some members agreed that on-street selling activities were common for many products and services. Some members suggested that the FEHD should be invited to consider whether action should be taken against those on-street marketing activities that caused obstruction and nuisance. They also requested the Administration to convey members' concerns about on street

marketing of telecommunications services to the working group on broadband Internet access services for considerations.

31. Summing up, the Chairman remarked that on-street marketing and door-to-door sales of broadband Internet services played a key role in enabling Hong Kong to provide the services at the lowest affordable price, which could in turn enhance IT usage and penetration in the community at large. Moreover, these marketing activities did open up more job opportunities for young people. The Chairman said that while he would agree that these activities should not be prohibited, he was also mindful of the need to avoid causing inconvenience or nuisance to the public. He pointed out that if any regulatory action was contemplated, its scope should include all products and services being marketed on-street. To minimize disturbances to residents, the Chairman urged the Administration to encourage the service providers to co-ordinate with the incorporated owners/management companies of the residential buildings concerned in organizing door-to-door sales activities. The Administration took note of members' suggestion and the Chairman's views for consideration.

Admin

VI "Introducing Digital Terrestrial Broadcasting at the right time": a second consultation

LC Paper No. CB(1)470/03-04(07) -- Second Consultation on Digital
(*tabled and subsequently circulated to* Terrestrial Broadcasting in Hong
members on 5 December 2003 vide Kong
LC Paper No. CB(1)515/03-04)

LC Paper No. CB(1)470/03-04(08) -- Power-point material provided by the
(*tabled and subsequently circulated to* Administration
members on 5 December 2003 vide
LC Paper No. CB(1)515/03-04)

LC Paper No. CB(1)460/03-04 -- Background brief on digital
terrestrial broadcasting prepared by
the Secretariat

32. The Chairman said that as advised by the Administration, it intended to take this opportunity to announce the commencement of the second consultation on digital terrestrial broadcasting. As such, the relevant consultation paper had not been made available before the meeting. Members noted that the Administration would hold a press briefing after the Panel meeting.

Presentation by the Administration

33. At the invitation of the Chairman, the Permanent Secretary for Commerce, Industry and Technology (Communications and Technology) (PSCIT(CT)) briefed members on the proposals of the second consultation on digital terrestrial broadcasting. The Government proposed that the existing terrestrial television broadcasters, i.e. Asia Television Limited (ATV) and Television Broadcasts Limited (TVB) should start digital migration in 2006. He said that the Government had conducted the first consultation on the implementation of digital terrestrial broadcasting in Hong Kong in December 2000. Most of the 23 submissions received were in support of the

Government's initiative to introduce digital terrestrial television (DTT) as soon as practicable and to introduce digital audio (DA) broadcasting only when it was commercially viable. Given that the Administration had completed frequency planning and co-ordination for DTT services with the Mainland authority, and that affordable consumer products and digital content such as high-definition television (HDTV) programmes were increasingly available, the Government considered it the right time to introduce DTT into Hong Kong. The period of the second consultation would last for three months to end on 5 February 2004. It covered three major issues, namely, the market-led approach to the adoption of the DTT technical standard for Hong Kong, the allocation of the multiplexes and the licensing arrangements.

34. With the aid of power-point presentation, the Chief Telecommunications Engineer (Advisory and Planning), Office of the Telecommunications Authority CTE(AP)/OFTA introduced the benefits of DTT broadcasting. In gist, DTT broadcasting would improve picture and sound quality and reduce reception problems such as ghosting and interference in certain geographic areas. In comparison with analogue broadcasting, digital broadcasting made more efficient use of the available spectrum. The same frequency bandwidth for transmitting one analogue programme channels could accommodate at least four digital standard definition television programme channels. DTT broadcasting would also bring other benefits to viewers, including the possible increase in the number of television programme channels, introduction of HDTV programmes, television reception on the move and new interactive multimedia applications.

35. DSCIT(CT) also advised that the major policy consideration in implementing DTT included the smooth migration of the existing terrestrial television services from analogue to digital broadcasting, opportunities for newcomers to enter the market, a business-friendly environment allowing high operational flexibility, availability of DTT services to viewers in a reasonable time-frame and spectrum efficiency. She also introduced those proposals in the first consultation which would be retained, as well as salient features of the proposals in the second consultation.

Allocation of multiplexes

36. The Chairman enquired about the availability of multiplexes for allocation and licensing for new market entrants. In reply, CTE(AP)/OFTA and PSCIT(CT) explained that according to the latest frequency plan, there would be five multiplexes available for DTT broadcasting, four of which would be based on single frequency network (SFN) configuration and one on multiple frequency network (MFN) configuration. Licences for operating the four SFN multiplexes would be awarded through an open, competitive process. New market entrants as well as incumbent operators might apply for these SFN multiplexes. The MFN multiplex would be assigned in equal capacity to ATV and TVB for them to start digital migration by simulcasting their programmes in both analogue and digital format in 2006.

DTT technical standard

37. In reply to Mr MA Fung-kwok's enquiry on whether consideration had been given to the compatibility of the DTT technical standard selected for Hong Kong with that of the Mainland, PSCIT(CT) explained that the pros and cons of the issue had been considered. On one hand, it might be better to make a decision on the DTT standard

to be adopted after the Mainland DTT standard had emerged since alignment with the Mainland DTT standard would facilitate the access of Hong Kong programmes and services on a compatible technical platform to the Mainland market and enable the audience in Hong Kong to benefit from more affordable consumer products due to economies of scale. On the other hand, Hong Kong had already deferred its decision for three years pending the outcome of the Mainland standard and further delay might make Hong Kong lag behind in digital television development, which might not be conducive to enhancing Hong Kong's position as a broadcasting hub. The Administration now proposed a "market-led" approach as the way forward. Under this approach, a multiplex operator would have the option of adopting DVB-T standard or proposing another technical standard subject to the satisfaction of the Telecommunications Authority. This arrangement would also apply to ATV and TVB provided that the adoption of the proposed standard would not cause delay in starting simulcast in 2006 and achieving territory-wide network coverage in 2008. PSCIT(CT) pointed out that according to this timetable, both incumbents could still afford to wait for a further 1½ years before finalizing the standard to be adopted. During this period, the Mainland might have announced its standard, in time for upcoming major events such as the Olympic Games 2008.

38. Mr CHAN Kwok-keung enquired about the performance and development potential of the American ATSC-T standard and the European DVB-T standard in terms of DTT service coverage, and the availability and affordability of associated consumer products.

39. In response, the Principal Assistant Secretary for Commerce, Industry and Technology (Communications and Technology) A informed members that according to available information, more than 11 economies, including Taiwan, Singapore and Australia, had adopted the European DVB-T standard. About 17 manufacturers were producing DVB-T compliant set-top boxes and integrated digital television sets. The government of the Republic of Korea had officially announced the adoption of the American ATSC-T standard but there were some differences in opinion between the government and the television broadcasters over the selected standard.

Community channel(s)

40. Noting that DTT broadcasting could have the benefit of a possible increase in the number of television channels, Mr Albert CHAN reiterated his concern that the Administration should designate one or more channels for the use of the public, notably by different community, political or minority groups, as in the case of other advanced economies such as Canada.

41. In response, DSCIT(CT) recalled that the subject of designating a public channel had been discussed in mid-1990s and the Administration had since kept the issue in review. She pointed out that community channels might be justified in countries with a vast area and a multi-ethnic population such as the United States or Canada. However, Hong Kong was a small and densely populated territory which was relatively less diversified in terms of its culture and language. With the prevalence of information and communication technology, the general public had made good use of the Internet, existing radio and TV channels to express their views. As such, the Administration had no plan to allocate exclusive channels for community or minority groups at the present stage.

42. Mr Albert CHAN was not convinced of the Administration's response. He considered that in deciding against the allocation of a community channel, the Government was indifferent to the needs of minority groups and the pluralistic nature of society. He queried that in depriving minority groups of a designated channel to express their views, the Administration was in fact curbing the expression of free views. PSCIT(CT) did not agree with Mr CHAN that the Administration sought to exercise political control on the freedom of expression of minority groups. He stressed that the objectives of the present proposals were to create opportunities for economic development and to strengthen Hong Kong's position as an important regional broadcasting hub.

43. In conclusion, the Chairman said that members might be interested in deliberating further on the proposals contained in the consultation paper, such as by way of a motion debate or at a future Panel meeting. Noting that members had many questions to raise on the subject, Mr Albert CHAN commented that the Administration should be more concise in its presentation so as to allow more time for discussion.

VII Any other business

44. There being no other business, the meeting ended at 10:45 am.

Council Business Division 1
Legislative Council Secretariat
8 January 2004