

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1951/05-06  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/ITB/1

**Panel on Information Technology and Broadcasting**

**Minutes of special meeting  
held on Friday 11 March 2006, at 9:00 pm  
in the Chamber of the Legislative Council Building**

**Members present** : Hon SIN Chung-kai, JP (Chairman)  
Hon Albert Jinghan CHENG (Deputy Chairman)  
Hon Fred LI Wah-ming, JP  
Hon Howard YOUNG, SBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Ronny TONG Ka-wah, SC

**Members attending** : Hon Margaret NG  
Hon Albert CHAN Wai-yip  
Hon Audrey EU Yuet-mee, SC, JP  
Hon LEE Wing-tat  
Hon LEUNG Kwok-hung

**Members absent** : Dr Hon LUI Ming-wah, SBS, JP  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon Timothy FOK Tsun-ting, GBS, JP

**Public officers attending** : Agenda Item I  
Radio Television Hong Kong  
Mr TAI Keen-man  
Assistant Director of Broadcasting (Radio)

Committee on Review of Public Service Broadcasting

Ms Alice LAU  
Secretary

**Attendance by  
Invitation**

: Agenda Item I

The Chinese University of Hong Kong

Professor Clement Y K SO  
Director  
School of Journalism and Communication

Professor Joseph Man CHAN  
Professor  
School of Journalism and Communication

Hong Kong Commercial Broadcasting Company  
Limited

Mr Felix TO  
Assistant General Manager

Ms Clarice CHIU  
Director of External Affairs

Metro Broadcast Corporation Limited

Mr SUNG Man-hei  
Deputy Managing Director &  
Chief Operations Director – Metro Finance

Ms Alice KWOK  
Executive Chief Editor – Metro Finance &  
Corporate Affairs Director

Ms Katherine KWOK  
Deputy Director – Compliance & Operations

Asia Television Limited

Mr H Y KWONG  
Senior Vice President - Programme & External Affairs

Mr Peter KWAN  
Senior Vice President - News

Ms Lisa CHEUNG  
Corporate Lawyer

Television Broadcasts Limited

Mr S K CHEONG  
General Manager - Broadcasting

Dr Janie TO  
Manager  
Programme Research & Development

Citizens' Radio

Mr Peter LAM  
Senior Broadcasting Consultant

Mr TSANG Kin-shing  
Convener

Democratic Party

Mr Stanley NG  
Minister of Policy Committee

Hong Kong Association of the Deaf

Mr CHEUNG Kam-kuen  
Director

Ms WONG Chu-yin  
Supported Employment Supervisor

Hong Kong Human Rights Monitor

Mr LAW Yuk-kai  
Director

Ms Belinda WINTERBOURNE  
Project Officer

Hong Kong Journalists Association

Mr LO King-wah  
Convener of Press Freedom Subcommittee

Radio Television Hong Kong Programme Staff Union

Ms Janet MAK Lai-ching  
Chairperson

Ms Bonnie CHEUNG Wing-yin  
Exco Member

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

**Staff in attendance** : Ms Pauline NG  
Assistant Secretary General 1

Ms Connie FUNG  
Assistant Legal Adviser 3

Ms Debbie YAU  
Senior Council Secretary (1)1

Ms Sharon CHAN  
Legislative Assistant (1)6

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Action

**I Issues related to the review on public service broadcasting**

File Ref. CTB(CR)9/17/9(05) -- Legislative Council Brief on  
Review of public service  
broadcasting

LC Paper No. CB(1)796/05-06(01) -- Speaking note of Mr Raymond  
WONG, Chairman of Committee on  
Review of Public Service  
Broadcasting

LC Paper No. IN12/05-06 -- Information note on "Public service  
broadcasting in Canada, Germany,  
the United Kingdom and the United  
States" prepared by Research and  
Library Services Division of the  
Secretariat

LC Paper No. CB(1)1035/05-06(05) -- Wording of the motion on "Policy  
on public service broadcasting"  
passed by the Council on 8  
February 2006

LC Paper No. CB(1)1047/05-06 -- Minutes of special meeting of Panel  
on Information Technology and  
Broadcasting on 25 January 2006

Meeting with deputations and Administration

Members noted that a submission had been provided by PCCW Media Limited (PCCW) not attending the meeting (LC Paper No. CB(1)1064/05-06(03)).

2. The Chairman welcomed deputations and the Administration to the meeting. He invited them to give views on issues related to the review on public service broadcasting (the Review).

*Radio Television of Hong Kong (RTHK)*

(LC Paper No. CB(1)1064/05-06(01) -- Submission)

3. The Assistant Director of Broadcasting (Radio) (AD of B) informed the meeting that in response to the Review, RTHK had submitted information outlining the work of RTHK for the reference of the Committee on Review of Public Service Broadcasting (the Review Committee). RTHK would collate the views received and prepare a comprehensive submission to the Review Committee in due course. He said that RTHK would continue to fully participate in the Review by listening carefully to the public views and facilitating public discussions on the future development of public service broadcasting (PSB) in Hong Kong. AD of B highlighted and supplemented RTHK's position as outlined in its submission as follow:

- (a) RTHK's programming was distinctive in terms of service targets and content. Its programming catered for a broad spectrum of audiences, including the needs of minority interest groups. On distribution of output by programming nature, 60% of its radio output were news, current affairs, information, and arts, culture and education whereas about 50% of its television (TV) output were current affairs, civic education and Mainland affairs. There were many creative productions such as the programme series about young musicians, first-time producers etc. Some of those programmes produced through outsourcing had won international awards. Moreover, RTHK's programmes like City Forum and Talkabout provided a platform for public participation. The distinctive positioning of RTHK's programming had proven to be widely accepted by the community.
- (b) In the new media environment, RTHK had been a local pioneer in experimenting cutting-edge Internet broadcasting services such as RTHK on the Road, podcasting and Wi-fi. Besides, RTHK's TV and radio programmes were relayed regularly by more than ten broadcasters overseas.
- (c) RTHK welcomed the view of commercial broadcasters that PSB in Hong Kong should remain publicly-funded.

- (d) RTHK urged for re-provisioning to a new Broadcasting House.
- (e) RTHK hoped to play an active role in taking forward digital audio broadcasting in Hong Kong and looked forward to running its TV channel after Hong Kong migrated to digital terrestrial television (DTT) broadcasting.
- (f) RTHK owned a substantial archive of radio, TV and new media contents of high historical and cultural value. Funding was required to preserve and promote public access to RTHK's archives as part of the Hong Kong cultural heritage.
- (g) RTHK suggested to revisit the option of corporatization in the Review since it had been an option that was most thoroughly studied and discussed in Hong Kong. RTHK management would also consult its staff accordingly.

*School of Journalism and Communication, The Chinese University of Hong Kong (CUHK)*

(LC Paper No. CB(1)1039/05-06(01) -- Submission)

4. Professor Clement Y K SO, Director of School of Journalism and Communication, CUHK referred to the position paper of the School entitled "Carrying through Public Service Broadcasting, Providing Quality Programming and Promoting Cultural Development". Professor SO highlighted the following:

- (a) The development of PSB in Hong Kong was not complete in the past decades and could not meet its needs of future development. The focus of the forthcoming Review should transcend personal interest and political preference of individual groups. It should aim at clarifying the broadcasting philosophy of Hong Kong, fulfilling citizen's information and entertainment needs with a view of attaining the goal of developing civic culture.
- (b) Competing for profit should not be the primary goal of a public broadcaster. Instead, its core values were to provide diversified programmes, modulate and supplement the inadequacies of, and even compete with, commercial broadcasters in the broadcasting market. To say that the existence of the public broadcaster was a form of market intervention, or to say that it should not compete with commercial broadcasters at all was a misunderstanding of PSB. It should not only provide alternative or niche programmes but should also produce diversified programmes to satisfy the needs of the general public. Public broadcasters could compete with commercial service providers in a positive way to enhance the market and offer more good choices to the citizens.

- (c) At present, RTHK played a public broadcasting role but remained a government department. Such an embarrassing mismatch not only contravened the fundamental values of PSB but also affected the efficiency of RTHK, thus limiting the full development of PSB. The Government had to change its relationship with RTHK and confer on it an independent and statutory status. RTHK could then increase its autonomy and operate as a bona fide public service broadcaster. RTHK should use public interest as its guiding light and emphasize programme quality and originality. Its staff should be recruited on non-civil service terms with a proper accountability mechanism to ensure its efficiency and effectiveness.
- (d) The Government must provide the public service broadcaster with dedicated channels and adequate financial resources. The broadcaster's statutory status should spell out a high degree of financial autonomy. Hong Kong was among the lowest in PSB expenditure when compared to other developed societies. The Government should increase the resources for PSB to strengthen it in fulfilling its public mission in the market-dominated media environment.
- (e) Digitalization of media technologies brought about a proliferation of programme channels. As such, the Administration could consider opening up some community or public access channels.

Professor SO concluded that PSB could provide a platform to generate public opinion, as well as to let the public speak among themselves and to the Government. As such, Hong Kong needed a stronger PSB to build up such public sphere now more than ever.

5. Professor Joseph Man CHAN, Professor of School of Journalism and Communication, CUHK remarked that PSB in Hong Kong was publicly-funded and public views should be given due regard in this review exercise. Against this background, the School had administered a community-wide scientific telephone poll on RTHK from 24 to 28 February 2006. Professor CHAN then shared with members findings of the survey as follows:

- (a) The survey found that more than half of the respondents (about 55%) were satisfied with the overall performance of RTHK, about 40% rated it "so so" and less than 4% considered it dissatisfactory.
- (b) On the role of RTHK, 80% felt that RTHK should bear the responsibility of monitoring the Government and criticizing its policies.
- (c) On whether PSB was a form of market intervention or a supplement to market inadequacies, a majority of respondents (about 64%) thought that RTHK did not affect the market at all, 30% held the

supplementary view while less than 10% agreed to the market intervention hypothesis.

- (d) A majority of respondent (57%) agreed that RTHK should be separated from the Government and operate as a public body while less than 40% responded otherwise.
- (e) In terms of resources, close to 60% of respondents considered that government funding to RTHK should remain the same if RTHK would maintain the role of a public broadcaster. Another 37% supported an increase in funding to RTHK while only 5% thought that funding should be cut.

6. The Chairman requested Professor CHAN to send the Panel a copy of the full survey report when it was compiled.

*Hong Kong Commercial Broadcasting Company Limited (CRHK)*  
(LC Paper No. CB(1)1051/05-06(01) -- Submission)

7. Mr Felix TO, Assistant General Manager of CRHK welcomed the Government's initiative to review PSB in Hong Kong and urged that the Review be conducted in a transparent and comprehensive manner. CRHK did not hold any pre-conceived opinion regarding the institutional arrangements and governance of PSB. It hoped that the outcome of the Review would uphold freedom of speech, reflect the concerns of the under-privileged and promote public awareness of injustice in the society.

*Metro Broadcast Corporation Limited (Metro)*  
(LC Paper No. CB(1)1039/05-06(02) -- Submission)

8. Mr SUNG Man-hei, Deputy Managing Director & Chief Operations Director – Metro Finance elaborated the views of Metro as follows:

- (a) The role of PSB in Hong Kong was to serve the community by catering to the needs of different minority groups with a view to building a harmonious society.
- (b) PSB should be supported by government funding whereas its internal governance should be decided based on the view of the general public.
- (c) The performance of PSB should be subject to the same set of regulation applicable to commercial broadcasters and monitored by the same regulatory body.
- (d) PSB should be initiated by the Government and supplemented by the commercial broadcasters. Metro was willing to provide PSB in excess of its licence requirements provided that funding for such PSB



programmes was provided and the programme itself was commercially viable.

- (e) The resultant additional frequencies from technological advancement towards digitalization would lead to a more comprehensive range of PSB with more niche interests better served.
- (f) PSB should be editorially independent of commercial, political and vested interests.
- (g) Metro cast doubt on the need for public access channels since existing broadcasters had already provided many programmes to facilitate the public to express views and exchange opinions.

*Asia Television Limited (ATV)*

(LC Paper No. CB(1)1035/05-06(01) -- Submission)

9. Mr H Y KWONG, Senior Vice President - Programme & External Affairs of ATV highlighted the ATV's position that PSB should not occupy the spectrum and airtime of commercial licensees. It might provide its own services and run its own channel by making use of the digital terrestrial broadcasting platform to be launched in 2007-08. Moreover, PSB should not seek advertising revenue and/or commercial sponsorships, nor should it focus on ratings. Mr KWONG further expressed ATV's opinion as follows:

- (a) Hong Kong could consider adopting the model of PSB used in the British Broadcasting Corporation (BBC) and Japan Broadcasting Corporation (NHK). The Government might establish a regulatory committee and authorize it to formulate programme policy and to manage expenditures.
- (b) Apart from the Government's subsidies and licence fees from subscribers as possible sources of funding, PSB could receive non-commercial donations and generate income from distributing its programme content etc.
- (c) PSB should provide a variety of programmes, including non-commentary and comprehensive introduction of the Government's policies and those promoting artistic, educational and cultural development. It should also act as a platform for people from various sectors of the community to express their views and opinion.

*Television Broadcasts Limited*

(LC Paper No. CB(1)1035/05-06(02) -- Submission

LC Paper No. CB(1)1074/05-06(02) -- Speaking note of Mr S K CHEONG,  
(tabled and subsequently issued on 14 March 2006) General Manager - Broadcasting of  
Television Broadcasts Limited )

10. Mr S K CHEONG, General Manager - Broadcasting of TVB presented the views of TVB as follow:

- (a) Allowing a public service broadcaster to compete with commercial free-to-air (FTA) broadcasters for revenue in advertising and sponsorship would introduce a non-level playing field in favour of the publicly-funded broadcaster.
- (b) In line with many developed countries in the world, the public service broadcaster in Hong Kong should broadcast its programmes through its own channel(s), in particular after the commencement of DTT broadcasting in 2007 when the problem of spectrum scarcity no longer existed. Under the present licence conditions, commercial FTA TV broadcasters were required to assign a block of airtime for the use of public service broadcaster. The drawbacks of the current arrangement were that the commercial broadcasters concerned lost control on the quality of programmes shown while the public service broadcaster could not enjoy the benefit of a full fledged channel to build its brand identity and channel loyalty.

*Citizens' Radio*

(LC Paper No. CB(1)1035/05-06(03) -- Submission)

11. Mr Peter LAM, Senior Broadcasting Consultant of Citizens' Radio said that while he was pleased to note the positive views on the development of PSB expressed at the meeting, PSB as a policy should have been implemented long time ago. He recalled that the development of PSB and establishment of community channels had been discussed when the Administration considered issues relating to domestic pay TV programme services some years ago. Mr LAM was very concerned that the problem of spectrum scarcity had been used by the Government time and again as an excuse to delay the development of PSB in Hong Kong. He referred to sound broadcasting where some of the FM spectrum had been deployed unnecessarily to prevent interference between channels. These frequencies could actually be allocated as public access/community channels. He urged the Administration to consider opening up these channels promptly for the use of community groups and the public. On funding, Mr LAM disagreed with the view that PSB should not compete with commercial broadcasters for advertising revenue or commercial sponsorship. He considered that while PSB should continue to be funded publicly, it should also be allowed to explore different ways of securing funding.

*Democratic Party (DP)*

(LC Paper No. CB(1)1056/05-06(01) -- Submission)

12. Mr Stanley NG, Minister of Policy Committee of DP expressed the views of DP as follows:

- (a) DP did not agree with the Administration's view that PSB was by nature a form of market intervention. If PSB was to operate with editorial independence and freedom of speech/the press, it should be free from political and commercial influence. This would enable PSB to perform its function to monitor government policies by providing a platform for the public to discuss, debate and exchange views.
- (b) RTHK should be corporatized and established as an independent statutory body, accountable to the Legislative Council (LegCo) and the public.
- (c) On resources for PSB, in addition to government funding, a certain percentage of TV licence fees received by the Government should be allocated for the use of the public broadcaster. It should also be allowed to raise funds by receiving commercial sponsorships, content licensing etc.
- (d) Hong Kong should take forward the development of DA broadcasting and make available public access/community channels for the use of the public with a view to encouraging the development of a diversified culture. This would enhance the diversity and competitiveness of the broadcasting industry in Hong Kong.
- (e) The Review should also take the opportunity to review the broadcasting policy in Hong Kong which had fallen behind the social and political needs of the public.

*Hong Kong Association of the Deaf (HKAF)*

(LC Paper No. CB(1)1035/05-06(04) -- Submission)

13. With the aid of sign language and the interpretation by Ms WONG Chu-yin, Supported Employment Supervisor of HKAF, Mr CHEUNG Kam-kuen, Director of HKAF expressed the view of HKAF on the Review. HKAF considered that TV broadcasts of speeches delivered by the Chief Executive or principal officials of the Government or press conferences held by them, whether live or pre-recorded, should be accompanied by subtitles and/or sign language. Mr CHEUNG referred to the experiences in other places such as the United States, France, Japan, Taiwan and the Mainland where live broadcasts of important speeches delivered by government officials were always accompanied by subtitles.

*Hong Kong Human Rights Monitor (HKHRM)*  
(LC Paper No. CB(1)1064/05-06(02) -- Submission)

14. Mr LAW Yuk-kai, Director of HKHRM highlighted the concerns of HKHRM on PSB as follow:

- (a) RTHK existed as a public service broadcaster and not a propaganda machine. Public service broadcasters should serve both the majority and the minorities. If RTHK was not allowed to do what other commercial broadcasters were doing, such as producing news programmes, its role as a public service broadcaster would be marginalized. In fact, a public service broadcaster should be statutorily established as an editorially independent entity, free from commercial, government and political pressures so that its programming could remain impartial and comprehensive.
- (b) Public service broadcasters should be publicly-funded and structurally independent of the Government. A public service broadcaster could unlikely meet the present needs of electronic media in providing immediate responses to hot issues if it had to go through bureaucratic paperwork before any action could be taken.
- (c) HKHRM supported the setting up of public access/community channels in Hong Kong. Given the unsatisfactory transmission of signals of RTHK5 in AM frequency in certain areas and the FM frequency delegated to the People's Liberation Army being left idle, the Government should consider opening up more airwaves for the use of other interested parties. RTHK should have its own dedicated TV channel.
- (d) The Review should be conducted in an open and transparent manner. Any changes implemented should not affect the quality of programmes and quantity of output of the existing broadcasters, in particular RTHK. The Review should take into account the job security and interests of serving RTHK staff. HKHRM was opposed to any action that would interfere press freedom and the editorial independence of the public broadcaster.

*Hong Kong Journalists Association (HKJA)*  
(LC Paper No. CB(1)1039/05-06(03) -- Submission )

15. Mr LO King-wah, Convener of Press Freedom Subcommittee of HKJA said that while welcoming a review on PSB, HKJA was very concerned that the Government had put the Review on a wrong footing. He elaborated on the views of HKJA as follows:

- (a) HKJA considered that paragraphs 3 and 5 of the LegCo Brief on the Review had indeed queried the value of PSB in the digital era,

arguing that it was a form of market intervention. HKJA was worried that such a distorted view might hamper an open and fair review of PSB.

- (b) To strengthen PSB in Hong Kong, HKJA considered that RTHK should hive off from the Government and become an independent statutory body. The autonomy and editorial independence of the public broadcaster should be upheld by legislation.
- (c) To avoid government influence through controlling its budget, RTHK, as a public service broadcaster, should operate mainly on public funds rather than as government expenditures.
- (d) The public broadcaster should be accountable to the public. Its board of governors should include representatives of public interests and the professions.
- (e) HKJA supported the establishment of public access channels for the minority and underprivileged groups to air their views.

*Radio Television Hong Kong Programme Staff Union*  
(LC Paper No. CB(1)1074/05-06(01) -- Submission )  
(tabled and subsequently issued on  
14 March 2006)

16. Ms Janet MAK Lai-ching, Chairperson of RTHK Programme Staff Union said that the Staff Union welcomed the Review with an open attitude. She then expressed the concerns of the Staff Union as follows:

- (a) The Staff Union was keen to see that the Review would help strengthen the role of RTHK as a public service broadcaster and that its autonomy and editorial independence could be safeguarded by way of legislation. The Staff Union considered that ultimately, RTHK should become independent from the Government, be publicly-funded and accountable to the public.
- (b) All along, despite there were certain views that RTHK should act as the Government's mouthpiece to promulgate its policies, staff members had strived to fulfil their public duties. However, extensive discussion in the print media about the future of RTHK recently had reinforced the feeling of uncertainty among staff. They were worried that if RTHK was to be revamped, then, serving staff might also be jeopardized. While expecting that the Review would bring about changes, they hoped that these changes would not upset RTHK's pledge to serve the public.

17. Ms MAK further advised that the RTHK Programme Staff Union was conducting a staff survey the report of which would be copied to the Commerce,

Industry and Technology Bureau and the Panel for consideration. Separately, Ms MAK highlighted that RTHK took a pioneering role in producing TV programmes (news reviews) with sign language. She assured members of HKAF that RTHK would continue with such services to serve the needs of people with hearing problems.

Discussion

*Funding*

18. Mr Ronny TONG thanked the deputations for their attendance and valuable input. He said that all along, he was gravely concerned about the reduction in annual provision for RTHK over the past few years. Mr TONG enquired whether RTHK had examined various funding models which were conducive to attaining independence of operation when hived-off from the Government. For example, it should be examined whether it was feasible for RTHK to receive an initial government injection sufficient to cover three to five years' operation, to be followed thereafter by a self-financing mode.

19. In this regard, AD of B remarked that the lack of stable and adequate funding support had constrained RTHK in maintaining sustainable operation and in planning for long-term development. Funding to be approved on a triennial or five-yearly basis would to a great extent alleviate such constraints and this mode of funding was thus worth pursuing.

20. Notwithstanding that the provision allocated for RTHK for 2006-07 would be broadly the same as that for the last year, Mr Ronny TONG noted with concern that according to the 2006-2007 Estimates, 35 posts in the civil service establishment of RTHK would be deleted while the total hours of output for current affairs TV programmes would be reduced by about 4%.

21. While there had not been any further cut in the provision for RTHK for 2006-07, AD of B said that RTHK still lacked additional and stable funding to take forward the development of digital broadcasting. On the deletion of the 35 posts for 2006-07, AD of B advised that 30 of them had been left vacant for some time. To minimize the impact brought by the actual deletion of the other five posts, RTHK would streamline its work procedures and strengthen staff training. He further said that for 2006-07, there would be a slight reduction in the hours of output for current affairs TV programmes, but there would be a slight increase in art and cultural programmes. Nevertheless, he pointed out that the estimated number of hours of output was subject to changes and that more current affairs programmes on specific issues might be produced in response to actual needs.

22. Noting that only representatives from CUHK were attending the meeting, Ms Emily LAU hoped that other academics would send in their written views on the subject for members' consideration. Noting that the commercial broadcasters had expressed grave concern about unfair competition and taken the view that a publicly-funded broadcaster should not compete with commercial broadcasters for

advertising revenue, Ms LAU sought the views of the professors on the source and the appropriate level of funding for PSB in order that the commercial broadcasters could remain viable. She also sought comments on the number of public service broadcasters that Hong Kong could support.

*(Post-meeting note: Submission from the School of Communication, Hong Kong Baptist University has been issued to all Members on 3 April 2006 vide LC Paper No. CB(1)1236/05-06.)*

23. Given that Hong Kong was among the lowest as far as PSB expenditure was concerned when compared to other developed economies such as Canada, Australia and Japan, Professor Clement SO of CUHK considered that the existing level of funding could hardly be further deployed to support more than one public service broadcaster. He further said that currently, PSB expenditure in Hong Kong only accounted for 0.03% of its GDP which was broadly similar to that provided in the United States where the presence of PSB was extremely low and inadequate. While remaining open on the number of public service broadcasters that Hong Kong should support, Professor SO urged the Government to increase the level of provisions allocated for PSB to strengthen it and enable it to exert the desirable impact in the current market-dominated media environment.

24. Ms Emily LAU believed that sources and level of funding would be one of the most controversial issues which needed to be resolved in respect of the future development of PSB. Noting that Hong Kong spent far less than other overseas economies in PSB, she sought deputations' views on the appropriate level of funding and the possible criteria based on which the Finance Committee should approve funding for PSB if this funding procedure was to be adopted.

25. On the level of resources to be provided for PSB, Professor Joseph CHAN of CUHK opined that it would depend primarily on the scale of the future development of PSB in Hong Kong. Instead of pre-determining the level of resources required, he considered that the Government should first affirm the scope and objectives of PSB, work out the appropriate level with reference to RTHK's provisions in the past and then make available the amount of resources necessary to meet these objectives.

26. Mr LEE Wing-tat agreed that a public service broadcaster might not be able to enjoy genuine independence unless there was stable and adequate financial support. He considered that reduction in financial resources could be used as a means to undermine the editorial independence and to influence the programming policy of the public service broadcaster. To be accountable to the public, Mr LEE urged that the regulatory authority should conduct public hearings on the services of the public service broadcaster prior to funding submission to LegCo.

27. Mr LO King-wah of HKJA considered that instead of obtaining government appropriations, the public service broadcaster should seek financial independence as in the case of BBC which was primarily funded by licence fees. Mr TSANG Kin-shing, Convenor of Citizens' Radio hoped that the Government would continue

to appropriate funding to the public service broadcaster. Otherwise, it could hardly survive. In this connection, Ms Belinda WINTERBOURNE, Project Officer of HKHRM cautioned that the option of mandatory payment of licence fees might not be supported by the public. Mr LEE Wing-tat shared the view that the imposition of such fees might arouse negative feeling about RTHK. Mr Ronny TONG also considered that it would not be viable to support the public service broadcaster in Hong Kong by a licence fee regime.

*Advertising revenue and commercial sponsorship*

28. Mr Howard YOUNG agreed that funding was essential to sustain the development and maintain the competitiveness of a public service broadcaster. He sought the views of commercial broadcasters on the feasibility for PSB to receive commercial sponsorship.

29. Mr S K CHEONG of TVB highlighted that for the past five years, there had been drastic changes in the market environment of FTA TV. Nowadays, FTA TV operators could no longer rely on the conventional 30-second advertising revenue since many viewers would record the TV programmes and skip the advertisements during viewing. Product placement and sponsorship for specific programmes had increasingly become a major source of income for FTA TV operators. Moreover, digitalization of media technologies would bring about a proliferation of programme channels and it would only take as little as a few million dollars to set up a commercial FTA TV station. The considerable lowering of entry barriers would mean that existing FTA TV operators would need to compete with new entrants and new media for advertising and sponsorship revenue. As such, Mr CHEONG held the view that the publicly-funded broadcaster should not seek advertising revenue and commercial sponsorship as this would create a non-level playing field and pose unfair competition to the commercial broadcasters.

30. On advertising and sponsorship, AD of B advised that currently, RTHK was allowed to receive non-commercial sponsorship only. RTHK normally received 5% to 8% of its annual funding from public bodies such as the Hong Kong Council on Smoking and Health and Women's Commission, to co-produce programmes related to their services. Nevertheless, AD of B called on the Government to relax the rules to allow RTHK to receive commercial sponsorship.

31. Professor Joseph CHAN of CUHK was of the view that the bulk of the financial provision for PSB should come from public money, supplemented by private donations or commercial sponsorship. He said that a responsible government should provide stable and adequate financial resources to implement an effective and bona fide PSB system, instead of leaving it to explore ways to sustain itself entirely through commercial activities. On competition between private and public broadcasters, Professor CHAN believed that this was inevitable and necessary, and that healthy competition could help drive improvements and increase the choices of listeners and viewers.



32. Mr Peter LAM of Citizens' Radio noted that both BBC and NHK used to generate additional income by putting on sale their programmes, some of which were produced in partnership with outside production companies, with the cost of production and the return being shared by them. Mr LAM pointed out that RTHK could also set up an archive and sell some of its quality productions to raise more revenue. Echoing Mr LAM's view, Mr TSANG Kin-shing of Citizens' Radio added that the additional revenue so generated could help RTHK prepare for digitalization.

33. To prevent the Government from undermining RTHK's independence through reduction in financial provision, Mr Ronny TONG suggested that 80% to 85% of the funding to the public service broadcaster should be appropriated from the Government while the remaining could be met by commercial sponsorship. This would limit the competition posed by the public service broadcaster to its commercial counterparts.

34. Highlighting the keen competition for advertising among operators of different media, including the Internet, Mr S K CHEONG of TVB remarked that if the public service broadcaster was allowed to seek commercial sponsorship, it would pose unfair competition to commercial broadcasters, which relied almost solely on advertising for survival. He said that public service broadcasters, which were primarily supported by public funds, might be able to quote a lower price in bidding for advertising opportunities. Moreover, there was complexity and management difficulty in operating a mixed funding model. Sharing Mr CHEONG's view, Mr Felix TO of CRHK added that the public service broadcaster, being publicly-funded, might be able to secure advertising by holding activities at popular and easily accessible venues. Mr SUNG Man-hei of Metro stated his objection to the option of allowing the public service broadcaster to seek advertising revenue because it would amount to unfair competition between public service and commercial broadcasters.

35. Ms Emily LAU said that it was understandable for commercial broadcasters to be gravely concerned about the viability or profitability of their services. However, she found it unusual that a certain commercial radio broadcaster had abandoned commercial principles by discontinuing the programmes by popular programme hosts, albeit that such programmes attracted a lot of advertising.

36. Professor Joseph CHAN of CUHK opined that while catering to the needs of the minority groups, the public service broadcaster should also serve the general public by providing high quality programmes. Nevertheless, he urged the Review Committee to conduct the Review from a macro perspective on the role of PSB. Professor CHAN reiterated his view that instead of hammering out the details of the funding mechanism, public discussion at this stage should focus on the type of PSB which could serve Hong Kong best. On the basis of a model which was acceptable by and large to the public, the Government would provide the resources necessary to support such a service.

37. AD of B echoed Professor CHAN's view and pointed out that as it took five to ten years for overseas economies to complete a review of its PSB, Hong Kong should examine carefully the role of PSB for the next two decades with reference to the local context.

*The roles of commercial broadcasters in PSB development*

38. Mr Ronny TONG was pleased to note from PCCW's submission that it would be willing to broadcast RTHK TV productions if PSB was funded to produce content for the community and to have that content seen/heard by the community. He sought the view of RTHK on PCCW's proposal. In response, AD of B advised that arrangement had been made for Hong Kong Cable Television Limited (Cable TV) to re-broadcast some of those RTHK programmes that had been aired in TVB and ATV. RTHK was now in the process of liaising with PCCW and TVB Pay Vision Limited on their carriage of RTHK content.

39. The Deputy Chairman expressed his concern that both PCCW and Cable TV did not attend the Panel meeting. As he understood, Cable TV was required by its licence to make available some of its channels for public access but it had not done so. Noting that Metro had undertaken to provide PSB in excess of licence requirements provided that funding for such PSB programmes was provided and the programme itself was commercially viable, the Deputy Chairman queried why funding for a PSB programme was still needed when it was commercially viable. He pointed out that one of the missions of PSB was to cater to the needs of minority interest groups, and thus programmes produced for them could hardly be commercially viable.

40. Mr SUNG Man-hei of Metro remarked that the company had produced programmes on current affairs and for young people and the elderly in accordance with its licence conditions. Metro was willing to produce more PSB programmes if they were commercially viable, such as those sponsored by non-commercial organizations.

*Government information and services*

41. Noting ATV's view that PSB should provide non-commentary and comprehensive introduction of the Government's policies, the Deputy Chairman sought clarification on the rationale for such a view. He considered that a critical approach was inevitable for programmes related to government policies and/or people's livelihood. Recalling that ATV had terminated the programme "News Tease" in which he was one of the guest hosts, the Deputy Chairman sought ATV's view on whether it would have any objection if the future public service broadcaster produced similar programmes.

42. Mr H Y KWONG of ATV explained that in ATV's view, the role and mission of PSB was to introduce the Government's policies clearly and comprehensively to enable the public to fully understand these policies. While there was limitation for the current public service broadcaster to live broadcast all information and activities

of the Government, Mr KWONG considered that this would be feasible after digitalization when more TV channels could be made available. He stressed that he did not object to commentaries but the Government's policies should be presented comprehensively and accurately. Through the PSB carriage platform, the general public could express and share their diversified views. On programmes to be produced by PSB, Mr KWONG believed that the general public would accept any PSB programmes as long as the public service broadcaster had followed the principles of programming set by its board of governors.

43. As regards ATV's view for PSB to provide a non-commentary and comprehensive introduction of the Government's policies, Ms Emily LAU was worried that in the end, the public service broadcaster would lose its public support if it adopted such a programming approach.

44. In this regard, Professor Joseph CHAN of CUHK stressed that a public service broadcaster must be distinguished from a state-run national broadcaster. In the Hong Kong context, a distinction should be drawn between RTHK as a public broadcaster and the Information Services Department (ISD) the mandate of which was to disseminate government information. After digitalization, he believed that if necessary, the general public might not object to assigning a dedicated channel to ISD for broadcasting programmes to publicize government policies and services. Mr Howard YOUNG echoed the need to differentiate the roles of ISD and a public service broadcaster.

45. Sharing Professor CHAN's view, Mr LAW Yuk-kai of HKHRM stressed that the Government should not seek to promulgate or publicize its policies through PSB but to do so through ISD. In particular, PSB should not be utilized by individual government officials in furtherance of certain political objectives and for promoting government policies. Moreover, government information programmes should not invariably be accorded higher priority for broadcast. Mr LAW opined that to uphold the editorial independence of PSB, the public service broadcaster should be hived off from the Government both in terms of structure and finance.

46. Mr TSANG Kin-shing of Citizens' Radio said that he would not object to the idea of setting up a government station. He noticed that after Hong Kong's handover, some media organizations had been acquired by big consortia with Mainland capital. He considered that some media operators had become increasingly pro-government while some others had exercised self-censorship, such as terminating the services of popular programme hosts like Mr WONG Yuk-man and Mr Albert CHENG who had played an effective role in monitoring and criticizing the Government. Mr TSANG expressed worry about this trend of development.

47. Mr Felix TO of CRHK stressed that CRHK had always upheld freedom of speech under which different views could be fully expressed. Regarding the departure of two popular programme hosts some two years ago, he said that the public was entitled to form and express different views on the incident.

48. In this connection, the Deputy Chairman stated that he had actually been sacked by CRHK and that subsequently, he had rarely been given opportunities to express his view on specific subjects on air. The Deputy Chairman said that according to his recollection, he had only been given an opportunity by CRHK to air his views on about three occasions during the past two years.

*Digitalization and carriage platform*

49. On some deputations' views that RTHK should be given its own carriage platform to broadcast its TV programmes by 2007 upon the implementation of DTT broadcasting, AD of B said that RTHK might not be ready to launch its own TV channel in 2006-07 due to inadequate funding to replace and acquire equipment and facilities.

50. In this connection, Professor Joseph CHAN of CUHK agreed that the future public service broadcaster should no longer rely on the allocation of airtime on commercial channels to broadcast their TV programmes. Instead, there should be dedicated channel(s) for PSB. Professor CHAN appreciated TVB's position that PSB in Hong Kong should be strengthened and allowed to broadcast programmes through self-owned channels.

51. On the availability of channel capacity, Mr TSANG Kin-shing of Citizens' Radio was concerned that Hong Kong had lagged behind its neighboring cities in Asia and the Mainland in the development of digital broadcasting. He urged for the expeditious implementation of digitalization for Hong Kong so that more channels could be allocated for private and public broadcasting, in particular for the setting up of a citizens' radio station.

52. The Deputy Chairman stated his support for opening up radio/TV channels for the use of the community. As it took time for Hong Kong to migrate into digital broadcasting, he suggested re-developing the existing frequency plan for frequency modulated (FM) sound broadcasting services to support additional territory-wide FM broadcasting services. He said that according to his understanding, the existing frequency plan had been adopted some 30 years ago and had not been put to optimal use.

*Accessibility - sign languages and subtitling*

53. Noting that TV programmes overseas were usually accompanied by subtitles and/or simultaneous sign language to facilitate deaf persons in accessing the programmes, Mr Howard YOUNG asked whether here in Hong Kong, audience suffering from deafness or hearing impairment would prefer TV programmes to be accompanied by subtitles or by sign language.

54. Using sign language, Mr CHEUNG Kam-kuen of HKAF expressed that most deaf people in Hong Kong could read Chinese but not all of them understood sign language. Therefore, subtitling was more useful for them to understand the message transmitted in a TV programme.

*Governance*

55. Noting that the operation of public service broadcasters in other advanced economies was usually governed by a board appointed by the government which was returned by general election, Mr LEE Wing-tat was concerned that with the limited development of democracy in Hong Kong, the best overseas practices could hardly be applied in Hong Kong.

56. In this connection, Professor Clement SO of CUHK considered that in the Hong Kong context, apart from the Administration, the LegCo and the public also played a role in monitoring the governance of the future PSB. He believed that the interaction of the three major stakeholders would help provide the necessary checks and balance on the appointment of board members of the public service broadcaster. Professor Joseph CHAN of CUHK said that Hong Kong should strive to develop the optional structure of PSB under its unique political circumstances. As one of the key missions of PSB was to serve as the voice of the public, any public service broadcaster should strive to secure public trust and support. Professor CHAN considered that when a public service broadcaster was able to gain the acceptance of the general public, both the Administration and LegCo would provide the necessary support for it to meet public needs.

57. On the future model of governance and organizational structure of RTHK, AD of B noted that the option of "corporatization" had been most studied and discussed in Hong Kong. He urged that if corporatization of RTHK was to be pursued, the participation of the public, RTHK staff, LegCo and other stakeholders should all be involved.

58. Ms Emily LAU considered that the board of governors for the future public service broadcaster should be independent and representative of the community at large. Noting that the Chairman of RTHK Programme Staff Union had reflected the worries of RTHK's serving staff that they might be jeopardized if RTHK was to be revamped, Ms LAU sought elaboration.

59. In response, Ms Janet MAK of RTHK Programme Staff Union explained that at present, the majority of RTHK staff were civil servants. Programming or editorial decisions were seldom made in a top-down manner. Without the fear of not renewing their contract of services, RTHK staff could dedicate their full attention and time to discharge their duties. However, with changes looming in the background and rumours widely circulating that an officer from outside RTHK would be posted to take up a senior directorate post, serving RTHK staff experienced insecurity and unease over their future.

60. Considering that the existing two commercial radio broadcasters exercised self-censorship instead of operating in accordance with commercial principles, Mr Albert CHAN was worried that the future public service broadcaster might also seek to exercise self-censorship and dared not speak up if its staff members were fearful of losing their jobs or other risks. As such, Mr CHAN stressed that the key

issue to be considered was how to develop a bona fide PSB that could operate freely from political control and commercial pressure while remaining viable.

61. In response, Professor Joseph CHAN of CUHK considered that as long as a mechanism was in place to hold the public service broadcaster accountable to the public, such as through public hearings prior to funding appropriation, the public service broadcaster could be monitored on its fulfillment of public missions. As regards the possibility of political influence, if any, exercised by the future governing board, Professor CHAN considered that individual board members had his/her own background and views and it was natural for them to interact with or persuade others. Nevertheless, Professor CHAN pointed out that public opinion in Hong Kong was also very powerful in influencing major policy decisions. Hence, he considered that the future governing board would unlikely ignore public opinion in overseeing the public service broadcaster. Professor Clement SO of CUHK considered that while commercial broadcasters had their own programming strategy, a public service broadcaster should have due regard to public interest and public opinions in its programme productions.

*Attendance of the Review Committee and other parties to the Panel meeting*

62. Mr Albert CHAN considered that as the subject under discussion was of great public interest and concern, he regretted to note that the Review Committee had only decided to send its Secretary to attend the meeting as an observer. He questioned why members of the Review Committee had not attended the meeting to exchange views with deputations and Members.

63. The Secretary of the Review Committee (S/RC) said that the Review Committee was committed to extensive consultation and would listen with sensitivity to the views of all interested parties. On the basis of inputs received from various sectors of the community, the Committee would examine relevant issues in a professional and impartial manner before making recommendations. She undertook to bring back all views and submissions received at the meeting to the Review Committee for consideration.

64. S/RC went on to inform the meeting that the Review Committee had commenced a series of consultation sessions with RTHK and its staff union as well as local broadcasters. A roundtable discussion session had also been arranged to exchange views with academics from local tertiary institutions offering communication and journalism-related courses. To obtain the views of the wider community, the Review Committee had issued nearly 400 letters to invite media-related or Internet-related professional bodies and organizations in the education, cultural, sports and social service sectors, human rights concern groups, think tanks, as well as religious and political groups to provide views on PSB. Many of the deputations attending the Panel meeting were on the Review Committee's list of invitees. Some had already met with the Review Committee and tendered their advice. The general public might also participate in the online forum set up on the website of the Review Committee to be launched on 15 March 2006. Moreover, the Review Committee planned to invite overseas and local

experts on PSB to exchange views with the public at a forum to be organized soon.

65. Noting that the Review Committee had met with some of the aforesaid parties in closed meetings, Mr Albert CHAN was concerned about the lack of transparency. He called on the Review Committee to make public all the views received, including those raised at closed meetings. Echoing his view, Ms Emily LAU saw merits in making public all the views to assure the public that there had not been any filtering of views by the Review Committee. In response, S/RC said that, to encourage candour, the Review Committee had assured all consulted parties that their views would be received in confidence and used only for the purpose of the Review. To enhance transparency, the Review Committee would inform the public of the outcome of consultation at a suitable juncture.

66. Ms Margaret NG thanked deputations' participation and input. She was also very concerned that members of the Review Committee did not attend the Panel meeting which was a good opportunity for exchanging views. In response, S/RC explained that shortly after its formation, the Review Committee had already attended the special meeting of the Panel held on 25 January 2006 and exchanged views with Members on various issues related to the Review. She assured members that the Review Committee was prepared to listen to views on PSB raised at different forums. Since the Review Committee had launched its own public consultation programme, attendance at this meeting where the Panel would meet with deputations might create confusion over the respective roles of the Review Committee and the Panel and the interface between them. She also pointed out that all the deputations present at the meeting had been invited by the Review Committee to submit their views. Some had already done so, and the Review Committee looked forward to receiving the views of others.

67. Ms Margaret NG did not subscribe to S/RC's explanation and was gravely concerned that it was a conscious decision of the Review Committee in choosing not to attend the meeting. The Deputy Chairman was also dissatisfied and expressed regret that the Review Committee had decided not to attend the special meeting.

68. Referring to the agenda and the Secretariat's invitation, S/RC said that the Review Committee had been given to understand that the main purpose of the special meeting was for the Panel to meet with deputations to gauge their views. She had been authorized to attend so that all views and submissions received at the meeting could be brought back to the Review Committee for consideration. Since the Review was still in progress, the Review Committee was not yet in a position to offer any considered views of its own at this meeting. She supplemented that the Chairman of the Review Committee had written to invite members of the Panel to a meeting so that the two sides could exchange views.

69. Ms Margaret NG remained unconvinced and maintained her view that the Review Committee should take the opportunity of the Panel meeting to listen to views and give responses, if necessary. Echoing her view, the Chairman said that the Review Committee was welcomed to attend future meetings of the Panel.

Summing up

Clerk 70. Summing up, the Chairman thanked the deputations and said that if necessary, they might be invited to attend future meetings of the Panel to exchange views on the development of PSB in Hong Kong. Ms Emily LAU requested the Clerk to summarize the views on PSB expressed at the meeting and in the submissions for members' reference.

*(post-meeting note: The Synopsis of major views expressed at the meeting has been issued to all Members on 27 March 2006 vide LC Paper No. 1150/05-06.)*

**II Any other business**

LC Paper No. CB(1)974/05-06 -- Letter dated 21 February 2006 from Chairman of the Committee on Review of Public Service Broadcasting and the Panel Chairman's initial thinking

71. Referring to the letter dated 21 February 2006 from the Chairman of the Review Committee inviting Panel members to meet with the Review Committee and give views on the Review, the Chairman said that initially, he considered it more meaningful for the Panel to meet with the Review Committee after it had met with deputations and conducted the overseas duty visit and when the Panel had formulated certain observations/recommendations on the way forward. However, if individual Panel members would like to give views to the Review Committee, they were at liberty to do so on their own accord. Members raised no other comments to the contrary.

*(post-meeting note: The Chairman's letter dated 14 March 2006 to Mr Raymond WONG, Chairman of the Review Committee has been issued to all Members on 15 March 2006 vide LC Paper No. CB(1)1097/05-06.)*

Information security

72. Arising from the recent leakage on the Internet of the personal data of people who had lodged complaints with the Independent Police Complaints Council, the Chairman advised that he was considering whether the Panel should discuss the issue on its own or to hold a joint meeting with the Panel on Security.

73. Ms Emily LAU said that to obviate the need for Members to attend different meetings on the same subject, a joint or single meeting should be held. Mr Howard YOUNG considered that if information security was the thrust of the subject, then, the Panel on Information Technology and Broadcasting should take the lead in the discussion.



*(post-meeting note: With the concurrence of the two Panel Chairmen concerned, the Panel had considered the item of "Information Security" at the meeting on 17 March 2006. Members of the Panel on Security had been invited to join the discussion on the item.)*

74. There being no other business, the meeting ended at 11:50 am.

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