

TVB's Views on Public Service Broadcasting in Hong Kong

Submission to the Legco Panel on Information Technology and Broadcasting
For the Meeting on 11 March 2006

Television Broadcasts Limited (TVB) would like to present, to the ITB Panel, the following views and comments on Public Service Broadcasting (PSB) and, in particular, Public Service Television Broadcasting (PSB TV) in Hong Kong:

1. The role of public service broadcasting (PSB) in Hong Kong

1.1 *As a matter of principle:*

- ◆ The provision of public service broadcasting should be the mandate and responsibility of a Government/public-funded public service broadcaster(s), whether they are within the Government administration or operate as a separate institution.
- ◆ Government/public-funded broadcasters should not compete with commercial broadcasters directly for resources, advertising and sponsorship from public or commercial funding, in the market.
- ◆ Public service broadcasters should produce programmes that are of interest to and for the interest of the public and provide alternative programming and programmes not commercially viable (such as programmes of minority interest) in the market. As audience and market needs and demands and market supply of these programmes would change, the programming direction of public service broadcasters should be reviewed from time to time.

1.2 *The current situation for public service television broadcasting in Hong Kong:*

The provision and burden of public service TV broadcasting reside heavily and at the expense of commercial terrestrial free TV broadcasters, TVB and ATV.

- ◆ **“Positive” Programming Requirements -**
As licence requirement, free TV broadcasters are required to produce and broadcast different categories of what the Government considered “positive” programmes. The provision of some of these programmes such as advisory programmes for young persons and for senior citizens, arts and culture programmes, etc., should rightfully be the responsibility of public service broadcasters.
- ◆ **Providing air-time and the delivery, free of charge, of Government Supplied Programmes and Publicity materials**

We are under statutory obligation to provide air-time and transmit Government supplied programmes: namely RTHK programmes, programmes for schools, i.e. ETV programmes, and Government Announcement in the Public Interest (APIs) and Broadcasting Authority publicity materials.

- ◆ **Free TV broadcasters are not allowed to accept programme or timeslot sponsorship for Government supplied programmes.**
- ◆ **Government supplied programmes, i.e. RTHK Programmes, cannot be used to fulfil the quota of licence requirements on “positive” programmes.**
- ◆ **Government PSB – RTHK TV Programmes –**
 - At present, without knowing the programme theme and focus of RTHK programmes, especially in current affairs programmes, there are overlapping, duplication or even triplication, of efforts of RTHK and the two commercial broadcasters resulted in inefficient use of resources and wastage let alone audience fatigue as hot topics in current affairs would often be featured in RTHK programmes and station-produced programmes back to back.
 - Denying Free TV broadcasters the flexibility in scheduling, thus, weakening their competitiveness in the multi-channel environment.
 - Terrestrial broadcasters are required to schedule RTHK programmes for Chinese channels during 7 – 10 pm, i.e., during the prime of prime time. There has been an agreement that TVB Jade and ATV Home would take turns to carry RTHK programmes during weekdays or weekends alternately. The revenue impact for carrying RTHK programmes on Jade and Home is quite significant. When it is the turn for the channel to carry RTHK programmes during prime time on weekdays, the timeslot 's audience rating and share for the year would drop.
 - As a Government funded production house and programming entity that can deliver their programmes free of charge on commercial TV channels, RTHK is also in direct competition with commercial broadcasters. The recent case of the RTHK series “Distinguished Civil Service” is an example of TVB's loss in revenue due to direct competition with RTHK for revenue from sponsorship and air-time sales in addition to the loss of audience share due to inflexibility of scheduling. RTHK competed in the bidding for the production of the series. TVB would have to charge a production cost as in the bid,

and on top of that there would be a programme sponsorship cost for the broadcast of programme, while RTHK would not have to pay for their slot on Jade.

- ◆ **APIs**
At present, TVB and ATV are required to broadcast 1 minute of Announcements in the Public Interest (APIs) per clock hour free of charge. If calculated at standard advertising rates the provision of air-time for the API spots would amount to HK\$323.7 million for TVB (Jade and Pearl channels) in 2005.
- ◆ The Government must be reminded that in addition to the above mentioned PSB burden, the commercial free TV broadcaster are already paying annual Programme Service Licence fee and Carrier Licence Fee and Spectrum Fee.
- ◆ The current regime is unfair to terrestrial Domestic Free TV broadcasters since the above mentioned PSB statutory and licence obligations (to provide “positive” programmes and to broadcast Government supplied ETV and RTHK programmes and APIs) do not apply to other TV network carrier or programme services operators, Pay TV and other TV programme service licensees delivering programmes over IPTV or satellite.
- ◆ In the current multi-channel, multi-platform and multi-delivery method market environment, the Government’s claimed “justification,” for imposing such requirements on terrestrial free TV, on the basis of scarcity of spectrum and lack of delivery carriers/platforms, is no longer justified.

2. Funding of PSB

2.1 PSB in Hong Kong Should be Publicly Funded

- ◆ To maintain the editorial impartiality of public service broadcasting, the majority of the funding for the public service broadcaster(s) or institution/corporation(s) of PSB should come from the Government.

Additional funding could be sought by appeals for corporate and public donation; and, like the BBC and NHK, through programme and product (educational learning and teaching aids) sales.

- ◆ **No advertising, commercial and product sponsorship for Public Service Broadcasters**
There should be no commercial sponsorship or product sponsorship for public service broadcasters which otherwise

would be in direct competition with commercial broadcasters, especially commercial TV broadcasters.

With the increase of the number of new media platforms, the coming of new digital TV channels and increasing competition from traditional and new media, public service TV broadcasters should not be allowed to compete for the commercial and advertising dollars with commercial broadcasters.

3. Technology and the Provision and delivery/distribution of public service television

3.1 Public Service TV Channel(s)

Public service TV broadcasters and channel(s) should be funded by Government, public donation and users/subscribers and should not be allowed to accept advertising, commercial and product sponsorships.

◆ Public Service Broadcasting (PSB) TV Channel

Hong Kong should have a PSB TV network/channel responsible for producing and delivering programmes to the Hong Kong public. The Government should free Domestic Free TV broadcasters as soon as possible from the obligation of carrying Government supplied programmes.

◆ Multi-platform delivery and Narrow-casting of Minority Interest Programmes

The PSB TV channel should use alternative delivery methods such as IPTV, WebTV via the Internet – as RTHK has been quite successful in delivering live events, programmes and archived programmes via the Internet to local and overseas audiences.

Selective programmes of minority interest could be distributed via the internet, or VCD, DVDs. Subscription, membership fees, VCD and DVD sales would also subsidise the funding of producing and delivering such programmes.

3.2 APIs

◆ As the Government would pay for ad space, when putting public service announcements in the form of advertisements in printed media, Government should pay for the air-time of the API spots

◆ Or part of the cost could be set-off against licence fees.

3.3 Programmes for Schools

- ◆ Government/EMB should consider using other forms of audience-visual teaching and learning aids and delivering method for programmes/audio-visual materials for schools

3.4 Lifting “Positive” Programming Requirements for Commercial Broadcasters

- ◆ The prescribed quota for “positive” programming do not reflect the needs of the public as broadcasters have been delivering public service programming which may not necessarily fall under the prescribed categories but serve the purpose while gaining audience interest and attention. A segment on the prevention of avian flu in the afternoon programme “Pleasure and Leisure 都市閒情” and legal information on the grey areas of the employment of domestic help in “Justice for All 百法百眾” are two salient examples.
- ◆ Market forces would enable the commercial TV channels to serve their relevant public(s) to provide community service programmes. In this highly competitive multi-media multi-channel environment, broadcasters can ill-afford to neglect their audience needs and interest.

4. Good Governance

- 4.1 There should be a review mechanism to oversee the programming direction of PSB to meet the changing needs of the audience and community. As public interest would be better served if public service broadcasters were to complement and supplement commercial broadcasters’ public service programming efforts instead of providing programmes amply available in the market.**

5. PSB Television Programmes Produced by RTHK

- 5.1 RTHK programmes should be broadcast by a public service TV channel or delivered through other means freeing terrestrial broadcasters from the obligation to carry RTHK programmes.**
- 5.2 Government should allocate spectrum for digital PSB TV and radio with the launch of digital TV in 2007.**
- 5.3 During the transitional period, there should be a gradual reduction of the hours in the requirement to carry Government supplied/RTHK programmes. TVB and ATV should be freed from all these obligations after analogue switch-off.**
- 5.4 If RTHK programmes must be shown on ATV and TVB for the time being, the following imminent actions are required:**

- ◆ **As the Government would be cutting down their broadcast of ETV on English channels starting next school year, from September 2006, RTHK programmes to the two Chinese channels could move to these timeslots on the English channels.**
- ◆ **To allow TVB and ATV to schedule RTHK programmes between 6 pm-12 midnight, instead of 7 pm – 10 pm, and at the station's full discretion.**
- ◆ **To allow the broadcasters to preview, or, for current affairs programmes, RTHK should inform broadcasters of the programmes' nature, theme and format, so that there would be a better coordination in scheduling avoiding duplication/ triplication of efforts and minimising audience fatigue.**
- ◆ **To allow flexibility for broadcasters in scheduling such programmes – with the broadcasters knowledge of the mass audience's viewing habit and preference, ultimately the public would be better served.**
- ◆ **To allow TVB and ATV to accept timeslot sponsorships for RTHK slots.**
- ◆ **To allow TVB and ATV to use RTHK programmes to fulfil requirements for the current affairs, documentary, children's programmes, programmes for senior citizens and youth advisory programmes and other "positive programme" categories when appropriate.**