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Panel on Information Technology and Broadcasting

Meeting on 14 November 2005

Background Brief on Broadcasting Services of Radio Television Hong Kong

Purpose

This paper summarizes the background of key issues related to the broadcasting services of Radio Television Hong Kong (RTHK), as well as the views and concerns expressed by Members in the course of considering these issues.

Introduction

2. The subject of the broadcasting services of RTHK has been receiving ongoing attention by the Panel on Information Technology and Broadcasting (ITB Panel). At its meetings held on 19 April, 14 June 2004 and 8 April 2005, the ITB Panel examined a number of key issues relating to RTHK's role as a public service broadcaster, notably its programming policy, resources allocation and the proposed re-provisioning of RTHK to a new Broadcasting House. During the motion debate on "policy on broadcasting" at the Council meeting on 18 February 2004 and special meetings of the Finance Committee to examine the Annual Estimates of Expenditure, Members also expressed views about the services of RTHK.

3. In June and July 2005, top government officials including Mr Donald TSANG, currently Chief Executive, Mr Rafael HUI, currently Chief Secretary for Administration and Mr John TSANG, Secretary for Commerce, Industry and Technology gave views on RTHK's programme production, with reference to the question of whether or not RTHK should continue with the live broadcast of horse-racing. In the wake of widespread public concern caused by such

remarks, the ITB Panel re-visited certain issues such as RTHK's role and functions, its editorial independence and future development at the Panel meetings on 11 and 21 July 2005 and exchanged views with senior officials from the Bureau and RTHK, as well as the RTHK Programme Staff Union.

RTHK's role as a public service broadcaster

Editorial independence

4. In general, Members agree that the mission of a public service broadcaster is to inform, educate and entertain the general public through a balanced mix of high quality programming not adequately provided by commercial broadcasters. Some Members are keen to ensure that RTHK should uphold editorial independence and continue to provide a platform for free and unfettered expression of views, instead of serving as the Government's mouthpiece to promote its policies. Some other Members however consider that some of RTHK's current affairs and personal view programmes are too critical of government policies and lack a balanced perspective.

5. Members have exchanged views with the Administration on the "Framework Agreement between Secretary for Commerce, Industry and Technology and Director of Broadcasting" (the Framework Agreement) which sets out the working relationship between the Policy Secretary and the Director, their respective responsibilities with respect to each other, the key programmes of activity undertaken by RTHK, as well as its aims and mission. Concern has been raised as to whether provisions in the Framework Agreement can adequately safeguard RTHK's editorial independence. At its meeting on 11 July 2005, the ITB Panel noted that the Framework Agreement was due for renewal and was informed that discussion on the review of the current Framework Agreement would commence in August 2005.

6. Noting that RTHK is not subject to any licence renewal as its private sector counterparts, Members are concerned about RTHK's accountability and transparency of operation. Having considered Members' views, RTHK held a public consultation on 29 October 2005 to collect opinions and suggestions from the community on RTHK's future development

Corporatization proposal

7. The proposal to corporatize RTHK was one of the recommendations made by the Broadcasting Review Board in 1984. It aimed to enhance the editorial independence of RTHK and improve its management structure so that it could operate more efficiently and cost-effectively. In 1990, the Government commissioned a consultancy study to recommend an optimal organization structure for a corporatized RTHK. It was also necessary to enact legislation to put in place the new structure.

On 14 February 1992, the LegCo Panel on Recreation and Culture was 8. briefed on the proposal to corporatize RTHK. The Panel was advised that the provisional target date for corporatizing RTHK was April 1993 and that the Chinese Government was being consulted because the proposal represented a The Panel had also received major restructuring of the Government. representations from the RTHK Programme Staff Union which was concerned, inter alia, about the relevant bridging-over arrangements for existing staff. At the Panel meeting held on 3 December 1992, Members were informed by the Administration that it was ready to consult the Executive Council in early 1993. Subsequently, at the meeting on 18 February 1993, the Administration reported to the Panel that the Chinese Government was consulted on the corporatization plan in March 1992 but no agreement was reached. The Administration's view at that time was that although corporatization was the best option for RTHK from a broadcasting policy point of view, it was not the most opportune time under the prevailing political climate to make a final decision. Thereafter, no concrete development in the corporatization plan has been announced.

9. The issue of corporatization has been raised again when the ITB Panel discussed the broadcasting services of RTHK in July 2005 following concerns about whether RTHK can operate with full editorial independence in its current status as a government department. Members in general agreed that the subject of corporatization should be re-visited. At a recent meeting of the ITB Panel on 18 October 2005, the Secretary for Commerce, Industry and Technology re-affirmed the Administration's policy stance that for the time being, there is no plan to corporatize RTHK.

Programming policy

10. Some Panel members have expressed the view that RTHK, being Hong Kong's sole publicly funded broadcaster, may have an unfair advantage over its private-sector counterparts which have to strive hard for revenue to sustain their operations. These Panel members refer particularly to the production of popular programmes such as horse-racing and Top Ten Chinese Golden Songs Awards etc. They opine that while it may be acceptable for RTHK to take a pioneering role and fill a market gap in the production of certain types of programmes, RTHK should not compete with the private sector by producing programmes which are already abundantly provided by the commercial broadcasters. Instead, RTHK should strengthen the production of programmes rich in artistic or cultural contents and those catering to the needs of minority interest groups.

11. Some Members have expressed deep concern that the open remarks made by top government officials in June/July 2005 about RTHK's live broadcast of horse-racing are tantamount to exerting political pressure on RTHK's programming policy, notwithstanding the Administration's explanation that those were only personal remarks made in response to media enquiries. The RTHK Programme Staff Union shares Members' concern and is worried about similar

intervention in future. While RTHK has assured Members that there was thorough internal discussion before a decision was made to scrap the live broadcast of horse-racing, it has undertaken to introduce measures to improve communication between senior management and operational staff.

12. RTHK has also advised the Panel that under its new programming strategy, it will strengthen the output on news, current affairs and information programmes while continuing to produce programmes on life-long learning, civic education, national education, culture and arts.

Resources requirements

13. While the Administration has explained the need for service-wide reduction in operating expenditure due to fiscal deficits in the past few years, considerable concern has been raised about the impact of the reduction in RTHK's annual funding¹ on its programme output and quality, and whether it is the Government's intention to undermine RTHK's role as a public service broadcaster through budgetary cuts. The Panel is keen to ensure that the development of new services such as RTHK ON INTERNET will not be affected as a result of the reduction in financial provision. The Panel has also noted that as a commercialization initiative, selected programmes produced by RTHK have been licensed to a successful bidder for production, marketing and distribution in VCD/DVD format.

14. Some Members have considered that far too little funding has been put into programme production per se. Besides, RTHK has not optimized the output capacity of each of its seven radio channels round-the-clock as some of its programmes are broadcast simultaneously on different channels. As such, they urge that the Administration should make available RTHK's surplus radio channels for use by the community, such as setting up public access channels.

15. On adoption of new technology such as digital broadcasting, the ITB Panel has been informed that RTHK has spent about \$2 million in conducting related trials in digital audio broadcasting. Members also consider that RTHK should be provided with adequate resources in taking forward digital broadcasting initiatives.

Need for reprovisioning

16. In 2000-01, the Administration proposed to reprovision the facilities and offices of RTHK to a new, purpose-built building in Tseung Kwan O Area 86. In early 2003, assisted by the Government Property Agent, RTHK refined the accommodation requirement of the new building in terms of net operational floor area from $26,500m^2$ (estimated at the stage of project feasibility study in 2000) to about $18,300m^2$, taking into account its future manpower and corporate

¹ As revealed in the relevant Estimates of Expenditure, the annual financial provision for RTHK has been reduced gradually from \$515.1 million in 2001-02 to \$428.5 million in 2005-06.

development plan. Submission of the proposed project to the Public Works Subcommittee has since been withheld due to changes in accommodation requirement. According to the Administration's estimate in June 2004, the revised estimated cost of the project was in the region of \$1.1 billion, subject to further refinement according to the actual project scope and price levels at the time the project is implemented. The Administration also informed the Panel in April 2005 that the proposed project was in Category C of the Public Works Programme.

17. Noting that many of RTHK's facilities in its existing headquarters are out-dated, many Members have urged the Administration to expedite the project to meet RTHK's development needs. Some Panel members also consider that the costs incurred may well be met by the revenue generated if the prime site at Broadcast Drive currently occupied by RTHK is put up for sale. Noting Members' views, the Administration has advised that the status of a proposed project in the Public Works Programme is subject to ongoing review having regard to the Government's financial position and the relative priorities of all proposed public works projects. According to the information note (PWSCI(2005-06)16) issued by the Financial Services and the Treasury Bureau to the Public Works Subcommittee in October 2005, the proposed Broadcasting House has not been included in the "Forecast of submissions for the 2005-06 Legislative Council session".

The way forward

18. The Administration has been asked to revert to the ITB Panel on the development of various aspects of RTHK's broadcasting services, including the following key issues :

- (a) corporatization of RTHK (incorporating the views and findings, if any, previously drawn up by RTHK);
- (b) development of digital broadcasting;
- (c) provision of public access channels;
- (d) whether and how reforms or improvement measures would be introduced for RTHK; and
- (e) the way forward for the proposed Broadcasting House.

19. According to recent press reports, a high-level decision has been made by the Government to conduct a review on public broadcasting services which will last for six months. Due to the lack of available official information on the aforesaid review, the Administration has been requested to account for its details to facilitate Members' consideration.

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