

**For information on
14 November 2005**

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

Issues on Broadcasting

Purpose

The purpose of this paper is to follow up the request of the Panel on Information Technology and Broadcasting, made at its special meeting on 21 July 2005 and in subsequent correspondence, that the Administration should submit a paper on the following issues related to broadcasting:-

- (a) corporatization of Radio Television Hong Kong (RTHK);
- (b) development of digital broadcasting;
- (c) provision of public access channels;
- (d) improvement measures on communication between the management of RTHK and stakeholders;
- (e) a summary of views expressed at a public forum held by RTHK on 29 October; and
- (f) the way forward for the proposed Broadcasting House.

Corporatisation of RTHK

2. There is a suggestion that, instead of continuing to be a government department, RTHK should be corporatised, i.e., hived off from the government machinery with the formation of an independent statutory corporation. The reasoning behind this is that corporatisation would mean complete editorial independence, and avoid any image that RTHK operates under the government's influence. It would free RTHK from government rules and regulations, which would enable RTHK to have more flexibility in deploying its resources. In short, it is thought that the "independent" status bestowed by corporatisation would benefit RTHK's role of a public service broadcaster.

3. The government's view is that the emphasis on institutional set-up in the form of corporatisation has sidestepped many other important issues about RTHK, and, to a larger extent, public service broadcasting in Hong Kong. RTHK already enjoys editorial independence. This is enshrined in the Framework Agreement between the Secretary for Commerce, Industry and Technology and the Director of Broadcasting, a document which sets out the role, duties and responsibilities of the respective parties. RTHK does not work under the influence of the government, as evidenced by many of its programmes which espouse viewpoint which is not necessarily the government's. However, apart from monitoring the government's work, the public expects RTHK to provide service which is distinctly public in nature, to have a high standard of governance, and to have a proper performance evaluation system through which it can be held accountable to the public in its work. Ultimately, it is a question of what kind of public service broadcasting would serve the best interest of Hong Kong. These are important issues which would need to be looked at. They cannot be addressed by the simple formula of corporatisation. At present, there are no plans to turn RTHK from a government department into a corporation.

Development of digital audio broadcasting

4. Broadcasting has been traditionally done in the analogue format which is susceptible to interference, thereby affecting the reception quality. Broadcasting in the digital format has the advantage of enabling better reception quality. Digital broadcasting requires a process of turning broadcast signals into digits at the end of the broadcaster and the use of digital receivers such as digital radio that are capable of deciphering the digital signals at the receivers' end. Existing receivers for analogue signals cannot receive digital broadcasting services. In view of this, the affordability of digital receivers is one of the factors governments take into account in formulating the policy on digital broadcasting.

5. Despite the advantage of digital audio broadcasting, governments like Australia and the UK believe that digital audio broadcasting will at best complement analogue broadcasting but not

replace it. The development of other competing wireless communications technology capable of transmitting sound also makes the future of digital audio broadcasting uncertain. Indeed, we understand that the development of digital audio broadcasting has been slow worldwide. In the UK, the pioneer in digital broadcasting, the penetration rate of digital radio was 6%, compared with a penetration rate of digital television of 63%, as at end-March 2005 although the retail price of a digital radio has dropped to £34.99 while that of a pocket-size digital radio to £64.99.

6. In Hong Kong, our policy is that the introduction of digital audio broadcasting should be market-led. Our last economic study was conducted in 1999. We are prepared to revisit the justifications for introducing such service in Hong Kong based on up-to-date market information, international experience and the deployment of competing technologies.

Provision of public access channels

7. In some countries such as the United States, there are public access or community radio services for non-profit making purposes. Usually, they are licensed to serve local communities whose needs are not met by regional or national broadcasting services. A current development is that the organizations providing such services have been developing online broadcasting which can reach out to wider audiences. Public access or community radio services will only be licensed when spare frequency covering a local area is available and the service is proved to be able to deliver social gains such as enabling better understanding of the particular community, provision of educational and training programmes that are not readily available in existing broadcasting services, and facilitating discussion and expression of opinions in the target local community.

8. Unlike countries where there are public access or community radios, Hong Kong is a geographically small city. At present, Hong Kong people are already served by 13 publicly-funded or commercial radio channels. There are a lot of programmes on conventional broadcasting services that facilitate expression and exchange of opinions.

In addition, thanks to the high household broadband internet penetration rate of 64.4% in Hong Kong, many online broadcasting activities are highly accessible to the general public. It is doubtful if there are strong justifications for providing public access or community radio in a city like Hong Kong.

Improvement Measures by RTHK and Public Forum on RTHK

9. At the special meeting of the Panel on 21 July 2005, Director of Broadcasting said that RTHK had set up three task groups to:

- (a) respond effectively to external discussions and enquiries about RTHK's future development;
- (b) strengthen public consultation; and
- (c) step up communication between RTHK senior management and staff.

10. With the facilitation of the three task groups, RTHK has arranged a series of internal seminars and workshops for its staff to study strategic issues concerning the development of public service broadcasting in Hong Kong. The first seminar focused on the future of RTHK and the development of public service broadcasting in Asia. Speakers included representatives from the Media Development Authority of Singapore, local academics and veteran journalists. A professional development workshop on “RTHK’s programming strategy” will be held in December 2005. The dual purpose of such seminars or workshops is to foster better staff professional development.

11. In the light of the debate arising from the termination of broadcasting horse-racing programmes, RTHK has also held three meetings to, among other things, discuss how to strengthen internal communication between the senior management and operational staff as well as external communication between RTHK and various stakeholders. This includes how to strengthen in future partnership with external organizations in programme planning.

12. After consulting different parties, RTHK decided to conduct a public forum to discuss the role of RTHK and the future development of

its services. RTHK commissioned the Media Research Centre of the Chinese University of Hong Kong to conduct a public opinion survey on its services in early October 2005. 72.2% of the respondents have overall positive impression of RTHK. More than 400 people participated in the public forum held on 29 October 2005. RTHK will take stock of the suggestions and opinions received from the public. A written record and video archive of the forum are available at RTHK's website at www.rthk.org.hk. A summary of the views expressed at the forum is at **Annex** for Members' easy reference.

Annex

New RTHK Broadcasting House

13. There is an operational need to re-provision the facilities and offices of RTHK to a new, purpose-built building in Tseung Kwan O. The revised estimated cost of the project was in the region of \$1.1 billion as at June 2004, subject to further refinement according to the actual project scope and price levels at the time the project is implemented. The project is in Category C of the Public Works Programme. Like any other public works projects, the RTHK Broadcasting House is subject to ongoing review having regard to the Government's financial position and the relative priorities of other competing proposed public works projects.

**Communications and Technology Branch
Commerce, Industry and Technology Bureau**

November 2005

**Summary of views expressed at the public forum on RTHK
on 29 October 2005**

RTHK widely promoted the public forum through radio, TV, trailers and web-banners from 10 to 27 October 2005. Members of the public were invited to attend the public forum in 4 sessions: overview of RTHK, TV service, radio service and new media service. Members of the public may also provide their views in writing. More than 400 people attended the forum. 99 oral presentations were made and RTHK received 24 written submissions. The summary of views expressed are as follows.

A. Overview of RTHK

2. The attendees generally rated RTHK services satisfactory. Some speakers commended that RTHK had been serving public interest well. Yet the role and function of RTHK was hotly debated. Some contended that it should be the mouthpiece for the SAR government and present the full picture of government policies to the public, while some opined that it should speak for the general public. There were also views that RTHK should be the watchdog of the government and serve as a vibrant sounding board for diversified views, thus enabling bilateral dialogues between the government and the public. Some speakers opined that the question was not that RTHK's programmes could not criticize government policies but such programmes should be balanced and impartial.

3. On future development, there were calls that RTHK should be restructured into a corporation and be accorded a TV channel on the digital terrestrial platform. A speaker opined that RTHK should involve more public participation, while another raised the idea of setting up a board of governors consisting of government officials, legislators and RTHK representatives to oversee this publicly-funded body.

4. One speaker suggested RTHK explore the interactive multi-media model, develop plans to maximize its scope of service and fully utilize its

huge audiovisual archives.

5. Some academics raised the copyright issue concerning fair use of RTHK licensed TV productions for educational purposes. Speakers advised that a balance between respecting copyright and fair use for educational purposes be struck.

6. On programme diversity, some asked for more productions for the underprivileged such as the mentally-challenged and one speaker advised RTHK to involve smaller or marginal groups as partners in developing programmes to meet their needs.

B. TV Service

7. Many speakers expressed their wish for more TV productions with themes addressing the youngsters, moral education, art and culture, innovation, liberal studies, political debates, human rights, rule of law, stage dramas, Cantonese operas, Putonghua and language learning. A speaker particularly expressed the need for knowledge-based programmes for teachers and students.

8. Some academics advised that RTHK should make good use of its public affairs and Educational TV programme archives, which could be transformed into a robust resource centre for educators and learning programmes.

9. A speaker expressed appreciation over commissioning programmes, while some requested opening up TV airtime for video artistes and NGOs to screen their shows.

10. Some speakers opined that with the advent of new technology in transmission such as digital TV, the Internet and IPTV, the lack of airtime was not a hindrance to enhancement of RTHK's services.

C. Radio Service

11. Some speakers advised to re-position RTHK's channels with a clear identity, targeting at specific groups of listeners. RTHK could do

better in making in-depth cultural analysis, art forum and innovative programmes.

12. Speakers also requested strengthening a wide range of programmes: music appreciation, sports, health, Cantonese operas, environmental protection, knowledge-based information, and contents meeting the needs of the elderly and children.

13. Speakers expressed their commendations on and criticisms for particular phone-in programme hosts in respect of their professionalism in maintaining impartiality.

14. On technical front, a speaker suggested that digitization should be focusing on improving AM service.

15. Some speakers asked for a wider FM coverage of radio service in the Kowloon Canton Railway and tunnels, and complained about poor reception in certain areas.

16. On English service, speakers expressed general satisfaction while a speaker suggested introducing medical programmes.

D. New Media Service

17. Speakers felt the RTHK Internet and eTVonline useful and expected improvement in technology and webcast programming.

18. On technical front, speakers complained that there were buffering delays when watching programmes on web, and the indexing of programmes was not user-friendly for quick search.

19. A speaker suggested using the IP multi-casting technology to help solve the problems.

20. On programme content, some speakers suggested RTHK make good use of the contents on Internet and eTVonline to create new business model for revenue generation. Another speaker expressed similar view on repackaging RTHK programmes to add value to its service.

21. A speaker commented that the RTHK on Internet was very popular overseas and RTHK should position its programming to fit local and overseas users.