

**For information on
30 June 2009**

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

**Progress Report on the Mid-Term Review of the
Domestic Free Television Programme Service Licences**

Purpose

This paper updates Members on the progress of the mid-term review of the domestic free television programme service licences of Asia Television Limited (ATV) and Television Broadcasts Limited (TVB).

Background

2. The current domestic free television programme service licences of ATV and TVB run from 1 December 2003 to 30 November 2015 (both dates inclusive). Section 4(2)(b)(i) of Schedule 4 to the Broadcasting Ordinance (BO) (Cap. 562) and Condition 3.2 of the two licences provide that the licences may be reviewed by the Chief Executive (CE) in Council within such period after 1 December 2009 as may be specified by the CE in Council by notice in the Gazette. Following the established practice, the Broadcasting Authority¹ (BA) would review the performance of the licensees and make recommendations to the CE in Council for the purpose of the review.

Overall Approach

3. The BA is now assessing the performance of the licensees from December 2003 when the licences were last renewed to December 2009 when the review exercise will be completed. In accordance with the established procedures and practices, the BA will use the following means

¹ The Broadcasting Authority is an independent statutory body established in September 1987 under the Broadcasting Authority Ordinance (BAO) (Cap. 391). Its role is to regulate licensed television and radio broadcasters in Hong Kong through provisions in the Broadcasting Ordinance (Cap. 562), the Telecommunications Ordinance (Cap. 106) and the BAO.

to assess the performance of the licensees –

- (a) Assessment against regulatory requirements: The BA will assess the performance of the licensees against the various statutory requirements as well as requirements under the licence conditions and codes of practice in respect of the following:
- (i) compliance with programming requirements and standards. The BA will need to assess whether the programming has complied with various requirements and standards laid down in the licences and codes of practice such as positive programme requirements, designated languages, family viewing policy, provision of information for viewers, etc;
 - (ii) compliance with regulatory requirements on advertising and non-programme materials such as advertising time limit, broadcast of announcements in the public interest and publicity material for the BA, unacceptable products or services, factual and best-selling claims, programme sponsorship, etc.;
 - (iii) compliance with technical performance such as service coverage, technical quality standard and service reliability, provision of digital terrestrial television services, etc.;
 - (iv) compliance with Capital Investment Plans for 2004 to 2009 in respect of capital and programme expenditure; and
 - (v) compliance with regulatory requirements on administrative matters such as shareholding and ownership restrictions, complaints handling procedures, etc.
- (b) Financial commitment of the licensees: The licensees are required to submit their investment plans for the next six years, i.e. Capital Investment Plans for 2010 to 2015. The BA will assess whether the investment commitments of the licensees are reasonable for the provision of their proposed service and

whether the licensees have the financial capability to deliver the commitments made in the Capital Investment Plans.

- (c) Public views on the performance of the licensees: Free-to-air television is a pervasive medium and is a popular form of entertainment for the general public. The BA therefore attaches great importance to public views on the performance of the licensees. The BA has decided to collect public views during the mid-term review through various means, including conducting a comprehensive public opinion survey and through public hearings. It will also collect views through its Television and Radio Consultation Group (“TRCG”)² as well as written submissions from members of the public and interested parties.

4. In addition to assessing the licensees’ compliance with various regulatory requirements, their financial commitments for 2010 to 2015 and public views on their performance, the BA will also take into account the following when making recommendations to the CE in Council –

- (a) any submissions from ATV and TVB on the existing licence conditions, their experience over the last six years, their views on the current broadcasting environment and any proposed changes to the licence conditions they consider necessary to help improve the operation of their television service;
- (b) the views of relevant government bureaux/departments so that the BA can take into account the relevant policy and technical considerations to ensure that its regulatory approach meets the development needs of Hong Kong’s broadcasting sector and also in line with international best practices; and
- (c) any changes that the BA feels should be proposed to the licence conditions in the light of the evolving broadcasting environment and expectations of viewers.

² TRCG is a territory-wide consultative scheme to gauge public opinions on television and radio broadcasting standards. Members join the scheme on a voluntary basis. The TRCG currently comprises about 540 members, recruited based largely on the population characteristics of the 18 districts supplied by the Census and Statistics Department.

Latest Development

Assessment of the Licensees' Performance

5. The BA has started the assessment on the licensees' compliance with various regulatory requirements and their financial commitments, as well as the public consultation exercise. It intends to complete the assessment in the next few months.

Opinion Survey

6. In line with past practice, the BA commissioned a consultant to conduct an opinion survey in May and June 2009 to collect public opinion on the licensees' services, including their programme standards, quality and diversity. Public views are collected by face to face interviews with 3 000 households using a random sampling methodology. The fieldwork of the opinion survey has just been completed. Upon completion of the analyses of the fieldwork data, the BA will publish the findings of the survey.

Public Hearings and Submissions

7. The BO only requires the BA to conduct a public hearing for the renewal or extension of the domestic free television programme service licences. However, in light of past practice, the BA has decided to conduct three public hearing sessions in June and July to gauge public views on the performance of the licensees for this mid-term review exercise. The public hearing sessions are now being widely publicised through different means, including the broadcast of announcements in the public interest on television and radio, on the websites of the BA and the licensees, as well as on other websites on the Internet and in newspapers. To facilitate members of the public to express their opinions, the BA has issued an information booklet summarising the recurrent regulatory requirements, the licensees' services, complaints records and the licensees' investment plans (at **Annex**). Such information is also available on the BA's website (i.e. www.hkba.hk). The first public hearing was held on 19 June 2009 and the response of the public was encouraging. More than 140 members of the public attended the session where they were able to speak directly to BA Members, representatives from the Government and the two licensees. At the first such meeting there was a lively discussion, with participants expressing their opinions on a considerable range of topics such as programme quality and standards, programme diversity, etc.

8. Members of the public are also encouraged to submit their views in writing to the BA before end July 2009. The BA will take into account the views of the public, including the views of the members of the TRCG, the stakeholders as well as the licensees, in formulating its recommendations to the CE in Council. The BA will publish a summary of public views collected in due course.

Concern about the staffing situation of the Licensees

9. There have been a number of announcements of staff retrenchments by the two licensees in the past few months. The main reasons given by the licensees were due to changes in programming strategy, mismatch between the skills of the existing employees and those required for business development, etc. The BA has noted this action with concern on whether the retrenchment exercises will affect the capability of the licensees to comply with the conditions of their domestic free television programme service licences as well as their services for the public.

Other Issues

10. The Government is committed to ensuring the efficient use of frequency spectrum, which is a scarce public resource. Like elsewhere in the world, we have a robust licensing and monitoring regime in place to ensure that free-to-air television operators are capable of providing services that are in compliance with the prevailing broadcasting standards to the viewing public. The BA has all along adopted a light-handed and market-led approach in the regulation of broadcasters. This fundamental regulatory principle is in line with international practice.

11. Domestic free television programme service licences are normally granted for a 12-year validity period, subject to mid-term and renewal reviews. The effect of this is that every six years, the free TV licensees are required to submit to the BA their long-term plans for investment and programming. In order to monitor the licensee's performance, free TV licensees are required to submit annual returns on their audited accounts and make a declaration on compliance with various statutory requirements. Assisted by its secretariat (i.e. the Television and Entertainment Licensing Authority (TELA)), the BA will examine these

documents and follow up with the licensees concerned if any regulatory concerns arise. Any change to the licensee's commitment on investment and programming, as well as its shareholding structure, requires the approval of the BA.

12. The BA will vigorously enforce the statutory requirements including fit and proper requirements on persons exercising control of the licensees, residential requirement of directors and principal officers of the licensees and reporting requirement on the change of directors and principal officers. However, the BA will not interfere with the day-to-day management of the licensees. Neither is it empowered to do so.

13. Licensees are required to comply with all the relevant statutory requirements under the BO and the licence conditions. Specifically, Condition 27 of the domestic free television programme service licences provides that the licensee shall, inter alia, provide and maintain adequate staff resources to ensure that any interruption to its licensed service is avoided or minimised. The BA has already reminded the licensees to comply with the relevant licence condition at all times to avoid any interruption to their licensed services. The BA will continue to closely monitor the service quality and performance of the licensees to ensure that the two licensees comply fully with the relevant regulatory requirements.

Commerce and Economic Development Bureau
Television and Entertainment Licensing Authority
June 2009

Public Hearings

*for the Mid-Term Review of the
Domestic Free Television
Programme Service Licences of
Asia Television Limited and
Television Broadcasts Limited*

Broadcasting Authority
www.hkba.hk

The Public Hearing Sessions

Kowloon and New Territories Session

Venue : Hong Kong Space Museum Lecture Hall
10 Salisbury Road
Tsim Sha Tsui, Kowloon

Date : 19 June 2009 (Friday)

Time : 7:00 p.m. - 9:00 p.m.

Hong Kong Island Session

Venue : Leighton Hill Community Hall
133 Wong Nai Chung Road
Happy Valley, Hong Kong

Date : 14 July 2009 (Tuesday)

Time : 7:00 p.m. - 9:00 p.m.

Please call the hotline 2594 5926 or e-mail to ba@tela.gov.hk (from now until the day before the relevant public hearing session) for reservation.

The public hearing sessions will be conducted in Cantonese. English interpretation and sign language services may be provided at the Hong Kong Island Session if required. Participants requiring such services should make this clear on or before 8 July 2009 in making the reservation so that necessary arrangement can be made.

Background

In December 2003, the domestic free television programme service licences of Asia Television Limited (ATV) and Television Broadcasts Limited (TVB) were renewed for a term of 12 years. Pursuant to section 4(2)(b)(i) of the Schedule 4 to the Broadcasting Ordinance (Cap.562) and Condition 3.2 of the licences of ATV and TVB, the licences may be reviewed by the Chief Executive in Council within such period after 1 December 2009. As the statutory body that regulates broadcasters in Hong Kong, the Broadcasting Authority (BA) will evaluate the licensees' performance against the various statutory requirements and licence conditions and make recommendations to the Chief Executive in Council for the purpose of this mid-term review. The BA will conduct two public hearing sessions to obtain the public feedback on the services of ATV and TVB.

Basic Rules to be observed during the Public Hearings when discussions are open to the floor

- The Chairman will decide on the order of the speakers.
- In order to accommodate as many speakers as possible, each will have not more than 3 minutes to express their views.
- The public hearings are not intended to be question and answer sessions for the BA or the licensees. The hearing sessions are intended to obtain comments and opinions from members of the public on the performance of the licensees. The opinions expressed at the public hearings will be collated into a report for publication in a few months. Members of the public could also submit their opinions in writing to the Television and Entertainment Licensing Authority. It is assumed that all submissions are not made in confidence. The BA may publish the submissions received in whole or in part on the website of the BA unless specified otherwise.

Tentative programme rundown

6:45p.m.	Admission for members of the public
7:05p.m.	Welcoming remarks by the Chairman of the BA
7:10p.m.	Presentation by ATV
7:25p.m.	Presentation by TVB
7:40p.m.	Comments from the floor
9:00p.m.	End of public hearing

Topics to be raised

Views will be sought on the performance of the licensees and the television programme services they offered in the past years. To assist members of the public to express their opinions on the licensees' services, a summary of the current requirements, the licensees' services, complaints records and the licensees' investment plans are set out in this brochure for information.

Highlights of Existing Programming and Advertising Requirements

Programming Requirements

Broadcast of Specified Types of Programmes (not applicable to new digital services)

1. The licensees shall broadcast two comprehensive news bulletins, each of not less than 15 minutes, between 6:00p.m. and 12 midnight.
2. The licensees shall broadcast a minimum of 60 minutes of documentary programmes each week between 6:00p.m. and 12 midnight. Not less than 30 minutes of the programmes are to be wholly of Hong Kong origin.
3. The licensees shall broadcast a minimum of two half-hour current affairs programmes each week between 6:00p.m. and 12 midnight. Not less than 30 minutes of the programmes are to be wholly of Hong Kong origin.
4. The licensees shall broadcast two blocks of children's programmes (for children up to 15 years old) : one of a minimum period of 1½ hours daily between 4:00p.m. and 7:00p.m. ; another of a minimum period of 30 minutes daily between 9:00a.m. and 7:00p.m. On the Chinese language services, at least 30 minutes of the children programmes between 4:00p.m. and 7:00p.m. should be wholly of Hong Kong origin. On the English language services, there should be at least two hours of programmes per week with educational values targeting teenagers between 5:00p.m. and 7:00p.m.
5. The licensees shall broadcast on the Chinese language service a minimum of one half-hour programme per week between 8:00a.m. and midnight intended for the education and proper development of young people (aged 16 - 24) in Hong Kong.
6. The licensees shall broadcast on the Chinese language service a minimum of 60 minutes of programming per week between 8:00a.m. and midnight intended for the particular requirements of senior citizens (over the age of 60) in Hong Kong.
7. The licensees shall broadcast on the Chinese language service a minimum of 60 minutes of arts and culture programmes per week between 8:00a.m. and midnight. Not less than 15 minutes of the programmes are to be wholly of Hong Kong origin.

The definition of programme types is at Annex. Please refer to the BA's website <http://www.hkba.hk/en/aboutus/publications.html> for the annual reports submitted by the licensees on children's programmes, programmes for young persons, programmes for senior citizens and arts and culture programmes.

Designated Language

8. On the English channels only, the licensees may broadcast up to 20% of their programme material in other languages (except in Cantonese) outside the hours of 7:00p.m. to 11:30p.m. and a window of two continuous hours from 7:00p.m. to 11:30p.m. one day per week in other languages (except in Cantonese) with English subtitles. On the Chinese language service only, the licensees are allowed a quota of 10% broadcasting time to broadcast Putonghua programmes with Chinese subtitles.

Subtitling

9. The licensees shall provide subtitling for all news, current affairs, weather programmes, emergency announcements. On the Chinese language services, Chinese subtitles must be provided for programmes shown between 7:00p.m. and 11:00p.m. On the English language services, two hours per week of English programmes with educational value targeting teenagers shall carry English subtitles.

Family Viewing Hours and Information for Viewers

10. Nothing unsuitable for children shall be broadcast between 4:00p.m. and 8:30p.m. Restriction on the provision of material not suitable for children should only be relaxed on a gradual and progressive basis after 8:30p.m.
11. Programmes which are not generally suitable for viewing by children must be classified into Parental Guidance Recommended ("PG" [家長指引]) or Mature ("M" [成年觀眾]) category.
12. Programmes classified "PG" may contain adult themes or concepts but must remain suitable for children to watch under the guidance of a parent or guardian.
13. Programmes classified "M" are recommended for viewing by grown-ups only and should only be shown between 11:30p.m. and 6:00a.m.
14. Aural and visual advice on the classification of programmes should be given before the start of the programme. Classification symbol signifying the classified category of the programme should also be superimposed on screen.
15. An aural and visual statement must be given at the start of the programme describing the principal elements which have contributed to the classification and indicating their intensity and/or frequency.

Accuracy and Impartiality

16. News shall be presented with accuracy and due impartiality. Correction of factual errors should be made as soon as practicable after the original error.
17. The licensees must ensure that due impartiality is preserved in factual programmes including documentary and current affairs programmes that deal with matters of public policy or controversial issues of public importance in Hong Kong.

Fairness

18. Licensees should take care not to distort or misrepresent views of interviewees.

Personal View Programmes

19. "Personal view programmes" are programmes in which the programme hosts and, sometimes, individual contributors put forward their own views. The nature of a personal view programme must be identified clearly at the start of the programme.
20. Opinions expressed in personal view programmes should not rest upon false evidence.
21. A suitable opportunity for response to the programme should be provided.

Gambling

22. The use of gambling devices or scenes relevant to the development of the plot or as an appropriate background should be presented with discretion, moderation and in a manner which does not encourage or offer instructions in gambling.

Crime

23. Criminal activities, when depicted, must be consistent with and reasonably related to plot and character development.
24. Crime should not be portrayed in a favourable light.
25. The presentation of criminal techniques in such a way as to be instructional or invite imitation should be avoided.
26. Scenes containing detailed instructions for, or illustrations of, the use of illegal drugs or harmful devices or weapons are not permitted.
27. Scenes showing triad ceremonies, rituals, hand signs, etc., and triad expressions not generally accepted in daily language should be avoided.

28. Glorification of criminals, the power of triads and membership in a triad society should be avoided.

Use of Language

29. Bad language should not be used in programmes targeting children and likely to be watched by a large number of children and young viewers. Downright offensive expressions and obscene or profane language are prohibited.

Sex and Nudity

30. The licensees should not include in its programmes any material which is indecent, obscene, or of bad taste which is not ordinarily acceptable to the viewers taking into consideration the circumstances in which the programme is shown. The portrayal of sex and nudity needs to be defensible in context and presented with tact and discretion. Explicit or gratuitous depiction of sexual violence is prohibited.

Violence

31. The depictions of violence, including physical and mental violence, should be relevant and necessary to the development of character, or to the advancement of theme or plot. Violence for its own sake or purely for dramatic attraction is not allowed.

Indirect Advertising

32. No undue prominence may be given in any programme to a product, service, trademark, brand name or logo of a commercial nature or a person identified with the above so that the effect of such reference amounts to advertising. References to a sponsor and exposure of its product(s)/service(s) within programmes are subject to paragraphs 5 and 6 of the advertising requirements below.

Advertising Requirements

Advertising Time and Break Duration

1. The aggregate advertising time shall not exceed 10 minutes per clock hour between the period from 5:00p.m. to 11:00p.m. each day. At other times, the aggregate advertising time shall not exceed 18% of the total time the service is provided in that period.

Broadcast of Announcements in the Public Interest and BA Publicity Material

2. The licensees shall broadcast such announcements in the public interest as required by the BA provided that such announcements shall not exceed 1 minute in a clock hour on each language service. BA publicity material may be broadcast twice daily during the period 6:00p.m. to 11:00p.m. for not more than 1 minute on each channel up to a maximum limit of 5 minutes each week.

Designated Language

3. Advertisements broadcast in languages other than the designated language of the service must carry subtitles in the designated language of that service. A maximum of 50% of the number of advertisements can be broadcast in non-designated languages on the English channels for the period from 7:00p.m. to 11:00p.m. No more than two advertisements may be broadcast in non-designated language on the Chinese language service in any clock hour.

Restrictions on Advertising Materials

4. Advertising material should be clearly identifiable as an advertisement. Distinctions must be maintained between advertisements and programmes.
5. A sponsored programme must be clearly identified as such.
6. The licensee may accept title sponsorship and product/service sponsorship subject to the basic principle that the sponsor identifications and/or exposure of the product(s)/service(s) within a programme are not obtrusive to viewing pleasure. In addition, the inclusion of the sponsored product(s)/service(s) within a programme should be clearly justified editorially.
7. News programmes, programmes and announcements broadcast at the direction of the BA, religious service and other devotional programmes must not be sponsored.
8. All factual claims and best-selling claims should be capable of substantiation.
9. Advertisements for the following products or services are not acceptable :
- (a) tobacco products;
 - (b) firearms and associated equipment;
 - (c) fortune tellers and the like;
 - (d) undertaker or others associated with death or burial (except advertisements for columbaria);
 - (e) unlicensed employment services, registries or bureaux;
 - (f) organizations/companies/persons advertise for giving betting tips;
 - (g) betting (including betting pools);
 - (h) night clubs, dance halls, massage parlours, sauna houses, bath houses or similar establishments in which hosts/hostesses are employed for the primary purpose of attracting or entertaining customers or in which floor shows or other live performance or activities involving sexual behaviour are presented;
 - (i) escort and dating services targeting young persons under 18; and

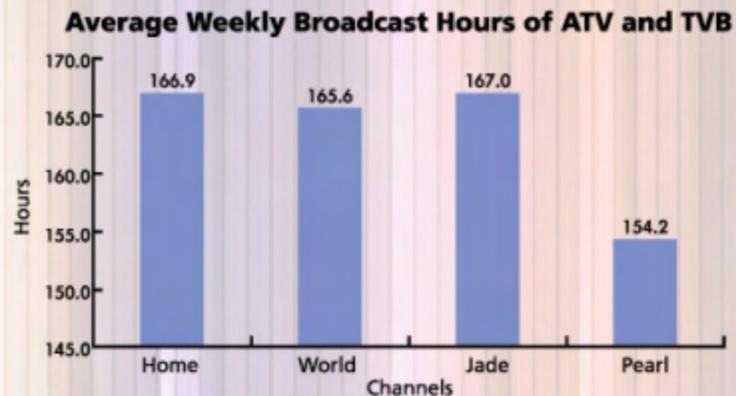
(j) pay per call information services which offer adult material of a sexual nature.

10. Indirect advertising of the unacceptable product or service is unacceptable.
11. Liquor advertising should not be included between 4:00p.m. and 8:30p.m. Such advertisements should not be shown in proximity to children's programmes or programmes targeted young persons under 18.
12. Advertisements of medical preparations and treatments should not contain any reference to a prize competition or promotional scheme such as gifts, premium offers and samples.
13. No advertisements for condoms should be shown between 4:00p.m. and 8:30p.m.

The Licensees' Services

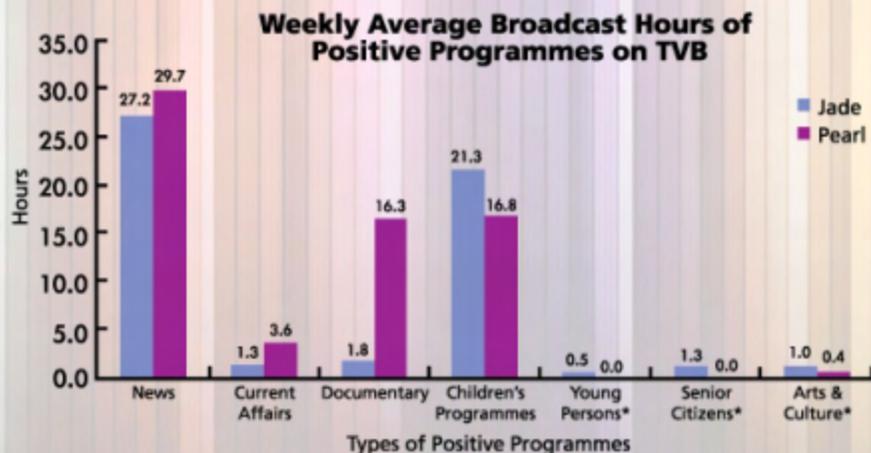
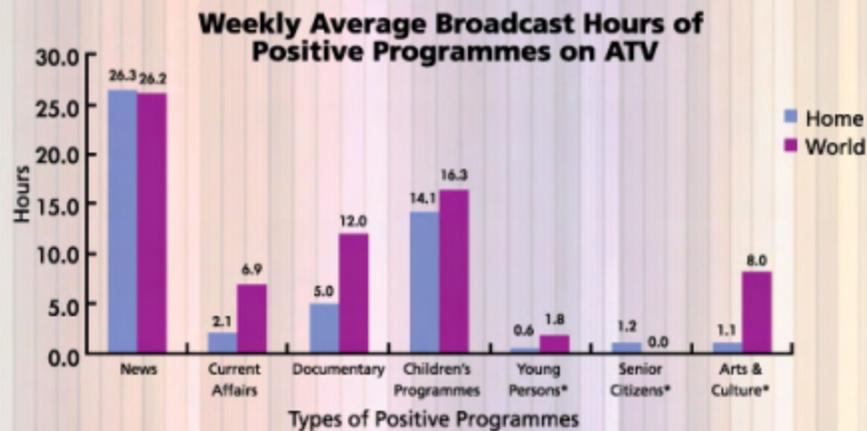
Broadcast Hours

During the period from December 2003 to December 2008, the four analogue channels of ATV and TVB (i.e. ATV Home, ATV World, TVB Jade and TVB Pearl) provided a total of 166 200 broadcast hours. The average broadcast hours per week are as follows -



Positive Programmes

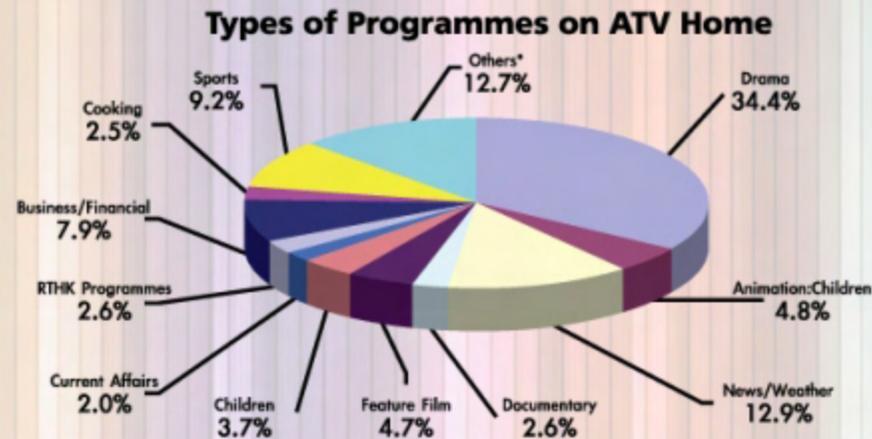
Each licensee is required to broadcast at least 41.5 hours of positive programmes per week. During the period from December 2003 to December 2008, the weekly average broadcast hours of positive programmes provided by ATV and TVB are respectively 121.6 hours and 121.2 hours. Details are shown in the following charts -



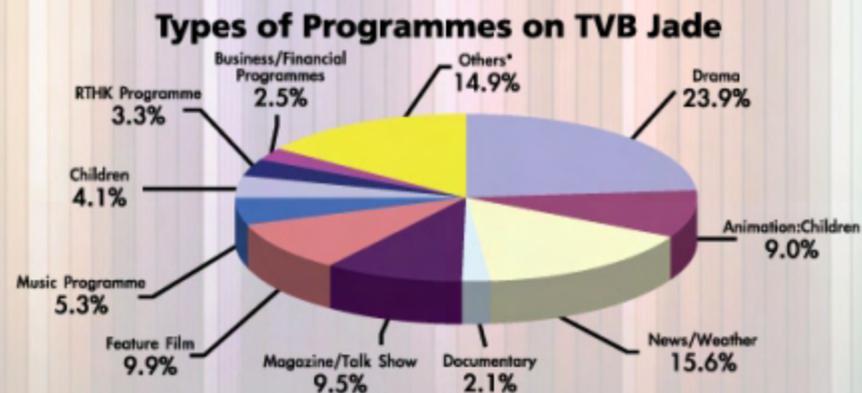
*The licensees are not required under their licences to broadcast Programmes for Young Persons and Senior Citizens and Arts and Culture Programmes on their English channels, i.e. ATV World and TVB Pearl.

Programme Types

Apart from the positive programmes as mentioned above, the licensees provided programmes of different genres. Please refer to the following charts for details -



*Others include programmes such as Magazine/Talk Show (1.2%), Programmes for Young Persons and Senior Citizens (1.1%), Arts and Cultural Programmes (0.7%), Situation Comedy Shows (0.08%), Variety Shows (1.2%), Quiz and Game Shows (0.5%), Animation: Non-children (0.15%), Pop Music (0.6%), Nature/Wildlife (0.2%), Science (0.5%), Health/Medical (0.34%), Holiday/Travel (1.25%), Hobbies/Leisure (1%), Fashion (0.47%), Advertising Magazines (0.1%), Classified Advertisements (0.9%), Promotional (0.02%), Education (0.06%), Religious (0.9%) and Others (1.6%).

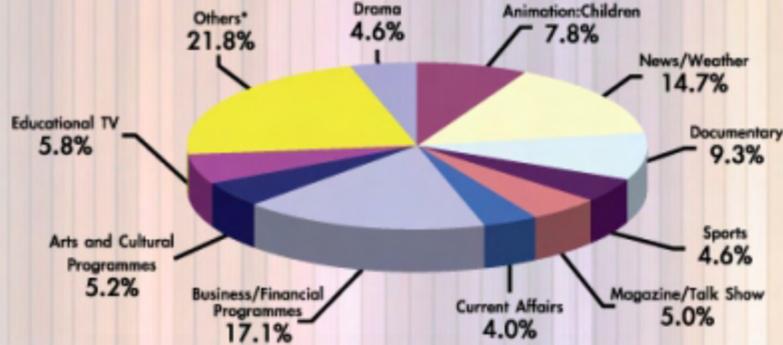


*Others include programmes such as Variety Show (1.4%), Current Affairs (0.8%), Programmes for Young Persons and Senior Citizens (1.1%), Arts and Cultural Programmes (0.6%), Situation Comedy Shows (1.9%), Quiz and Game Shows (1.6%), Animation: Non-children (1.9%), Sports (2.6%), Health/Medical (0.03%), Holiday/Travel (0.23%), Hobbies/Leisure (0.001%), Cooking (0.08%), Advertising Magazines (0.24%), Classified Advertisements (1.1%), Promotional (0.25%), Education (0.04%), Religious (0.22%) and Others (0.8%).

Complaints about Programme Materials

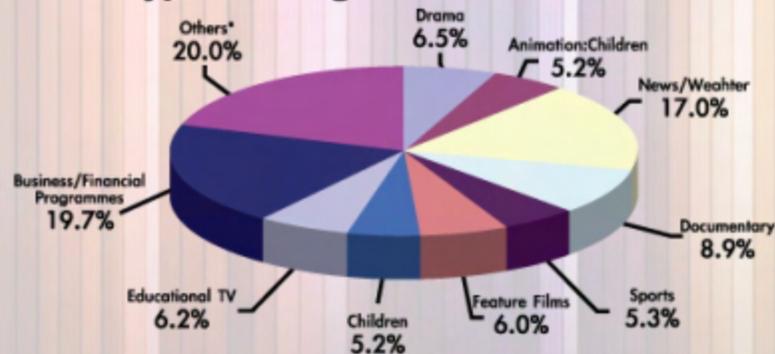
Against the background of 166 200 broadcast hours, during the period from December 2003 to December 2008, a total of 14 503 complaints (4 885 cases) relating to programme standards were received. Among these complaints, 24.8% were about ATV, 71.8% about TVB and 3.4% about both ATV and TVB. The top three cases over the period are: 1 613 complaints in 2006 against the story plot on insurance agents in the drama "Central Affairs" (情陷夜中環) provided by ATV, and 1 629 and 1 232 complaints in 2008 respectively against the two programmes produced by TVB, namely "Operation Relief 2008" (雪中送暖) and "Jade Solid Gold" (勁歌金曲), for the appearance of an actress cum singer in the programmes. The three cases were classified as outside section 11(1) of the Broadcasting Authority Ordinance. Detailed breakdowns of the nature of complaints on programme materials are as follows -

Types of Programmes on ATV World



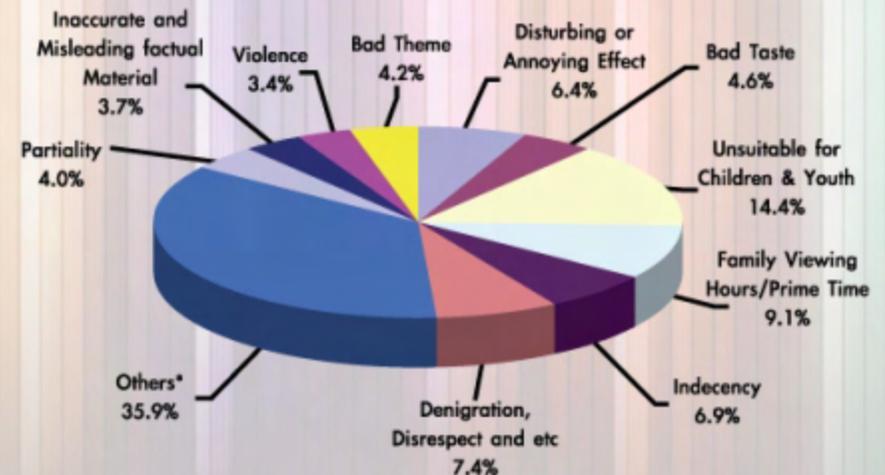
* Others include programmes such as Education/Enrichment (1.4%), Feature Film (2.3%), Children (2.6%), Programmes for Young Persons and Senior Citizens (0.1%), RTHK Programmes (0.7%), Situation Comedy Shows (0.04%), Variety Shows (0.76%), Quiz and Game Shows (1.1%), Animation: Non-children (0.17%), Pop Music (1.39%), Nature/Wildlife (1.88%), Science (0.57%), Health/Medical (0.2%), Holiday/Travel (2.28%), Hobbies/Leisure (1%), Cooking (2.29%), Fashion (0.95%), Advertising Magazines (0.01%) and Others (1.99%).

Types of Programmes on TVB Pearl



* Others include programmes such as Education/Enrichment (2.9%), Current Affairs (1.8%), RTHK programmes (1.4%), Arts and Cultural Programmes (1.8%), Situation Comedy Shows (0.39%), Variety Shows (0.81%), Animation: Non-children (0.34%), Pop Music (1.94%), Nature/Wildlife (2.1%), Science (0.8%), Health/Medical (0.07%), Holiday/Travel (0.3%), Hobbies/Leisure (0.01%), Cooking (0.8%), Magazine (0.12%), Fashion (0.12%), Advertising Magazines (0.04%), Promotional (0.08%), Religious (0.11%) and Others (3.63%).

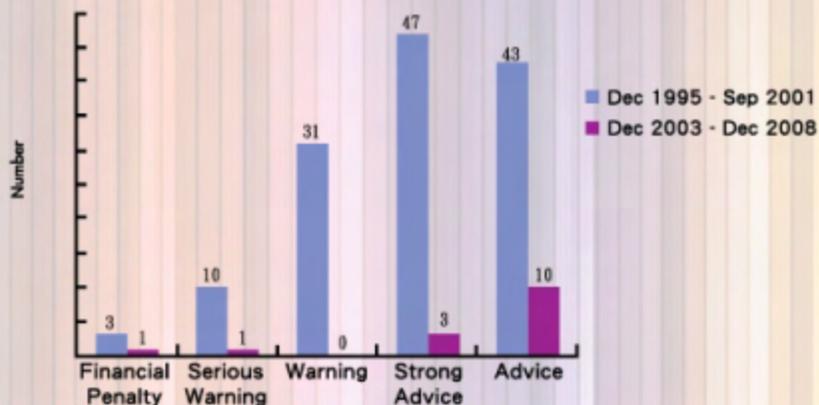
Nature of Complaints on Programme Materials on ATV and TVB (December 2003 - December 2008)



*Others include Indirect Advertising, Horror, Language, Subtitling, Programme Schedule Changes, Sex, Editing and Technical Trials, Drunkenness and Smoking, Adult Nature Material, Triad Theme, Concurrent Broadcast and No Programme Choice, Superstition, Safety, Unnatural Commercial Breaks and Disparaging.

Of the 14 503 complaints, 13 390 complaints were classified by the Commissioner for Television and Entertainment Licensing (CTEL) under delegated authority as unsubstantiated, outside remit or minor breaches. The BA imposed 41 sanctions on the remaining 1 113 complaints. A breakdown of the sanctions as compared with the previous review period (December 1995 - September 2001) is set out in the following charts -

Sanctions Imposed by the BA on ATV



Note: The financial penalty involved undue prominence given to a restaurant in a variety show.

Sanctions Imposed by the BA on TVB

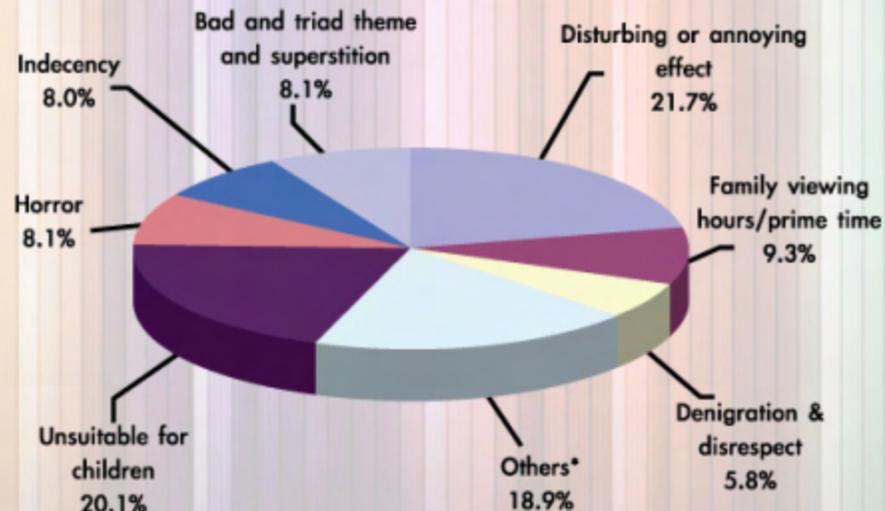


Note: The two financial penalties involved TVB's exclusive supply of programme channels to Galaxy Satellite Broadcasting Limited ("Galaxy") without conducting an opening bidding process and undue preference on the non-exclusive supply of six channels to Galaxy.

Complaints about Advertising and Non-programme Materials

Against the background of 13 600 hours of advertisements broadcast, during the period from December 2003 to December 2008, a total of 3 509 complaints (804 cases) about advertising and non-programme materials were received. Among these complaints, 3.35% were about ATV, 80.35% about TVB and 16.30% about both ATV and TVB. Most of the nature of complaints about advertising and non-programme materials were related to disturbing or annoying effect (22%) and materials unsuitable for children (20%). Detailed breakdowns of the nature of complaints on advertising and non-programme matters are as follows -

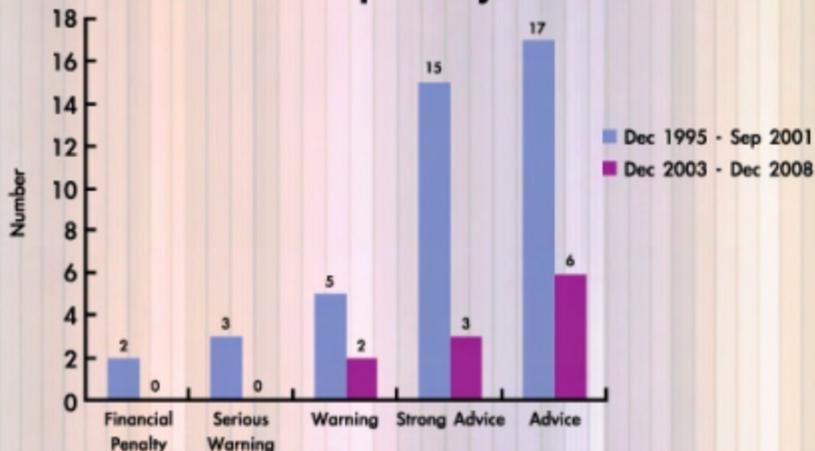
Nature of Complaints about Advertising and Non-programme Materials (December 2003 - December 2008)



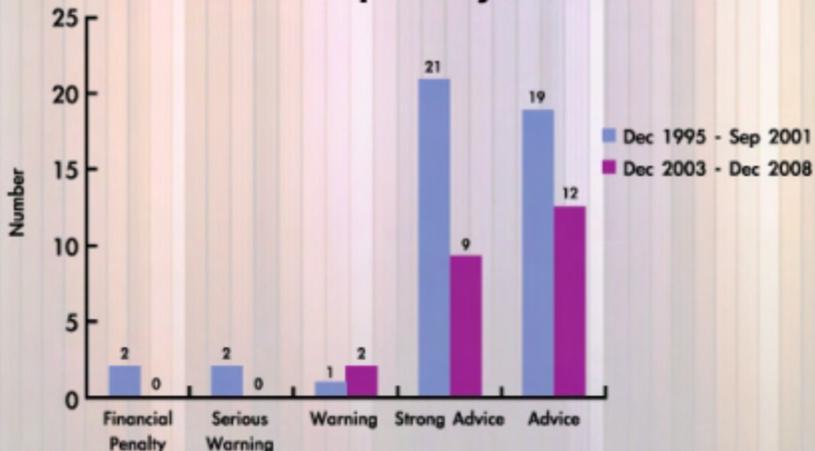
* Others include editing and technical faults, contiguous advertisements, drunkenness and smoking, programme changes & scheduling, partiality, programme choice, professional endorsement, accuracy, untrue and misleading claims, language, bad taste, unacceptable products/services, sex, violence, adult materials, advertising time and indirect advertising, etc.

Of the 3 509 complaints, 2 563 complaints were classified by the CTCL as unsubstantiated, outside remit of the BA or minor breaches. The BA imposed 34 sanctions on the remaining 946 complaints. A breakdown of the sanctions as compared with the previous review period (December 1995 - September 2001) is set out in the following charts -

Sanctions Imposed by the BA on ATV



Sanctions Imposed by the BA on TVB



Details of the complaints considered by the BA are available at <http://www.hkba.hk/en/complaints/archives.html>.

ATV and TVB's Submissions on Investment Plans

ATV and TVB have respectively made proposed investments for the periods from 2004 to 2009 and from 2010 to 2015 as follows -

	ATV	TVB
2004 - 2009 ^{Note}		
Programming	\$2 490 million	\$6 550 million
Capital investment	\$480 million	\$770 million
Total	\$2 970 million	\$7 320 million
2010 - 2015		
Programming	\$2 160 million	\$5 600 million
Capital investment	\$170 million	\$140 million
Total	\$2 330 million	\$5 740 million

Note: The figures include ATV and TVB's commitments for their digital terrestrial television services.

ATV has attributed the decrease in the proposed investment in 2010 - 2015 to the fact that the major capital investments have been made as at end 2008 and that there is improvement in production efficiency and a revamp of channel line-up from the previous six new digital channels to four.

TVB has explained that the plan to utilise state-of-art advanced technology to provide free digital terrestrial television programme services began with heavy start-up investment in new channel broadcasting and high-definition facilities in 2004 - 2009. TVB's proposed investment for 2010 - 2015 represents the completion phase of its quality and efficiency enhancement and the migration to full digital broadcasting.

Annex - Definition of Programme Types

For the purpose of the domestic free television programme service licence, the various programme types the licensee is required to broadcast are defined as follows:

Arts and Culture Programmes

1. 'Arts and culture programmes' means programmes which promote the development or appreciation of
 - (a) the literary, performing or visual arts; or
 - (b) other topics or activities of cultural value.

Children's Programmes

2. 'Children's programmes' means programmes which –
 - (a) are designed specifically for children of different age groups up to the age of 15;
 - (b) fulfill the special needs of children;
 - (c) can be easily understood or appreciated by children; and
 - (d) contribute to the social, emotional, or intellectual, or physical development of children.

Current Affairs Programmes

3. 'Current affairs programmes' means programmes focusing on social, economic or political issues relevant to Hong Kong, and with detailed analysis or discussion of news stories that have recently occurred or are ongoing at the time of broadcast.

Documentary Programmes

4. 'Documentary programmes' means programmes presenting actuality - political, social or historical events or circumstances in a factual and informative manner, often consisting of actual news films and/or dramatic reconstruction accompanied by narration but does not include travelogues and current affairs programmes.

Programmes for Senior Citizens

5. 'Programmes for senior citizens' means programmes which aim at catering for the health, special informational or recreational needs of people over 60.

Programmes for Young Persons

6. 'Programmes for young persons' means programmes which offer assistance to young people aged 16 to 24 –
 - (a) to develop their capabilities, potentials or a proper sense of social values;
 - (b) to achieve the highest attainable standards of physical or mental health;
 - (c) to access information or guidance on services for youth, including family, health, welfare education, employment, sports or recreation services;
 - (d) to promote their knowledge of and respect for different cultures, human rights or the rule of law;
 - (e) to promote their love and respect for life, arts, science, nature or reason;
 - (f) to promote their concern for protection of the environment; or
 - (g) to encourage their participation in community affairs.