

立法會
Legislative Council

LC Paper No. CB(1)860/10-11
(These minutes have been seen
by the Administration)

Ref : CB1/PL/ITB/1

Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 8 November 2010, at 2:30 pm
in the Chamber of the Legislative Council Building

Members present : Hon WONG Yuk-man (Chairman)
Dr Hon Samson TAM Wai-ho, JP (Deputy Chairman)
Hon CHAN Kam-lam, SBS, JP
Hon LAU Kong-wah, JP
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LEE Wing-tat
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Member attending : Hon CHEUNG Kwok-che

Public officers attending : Agenda item IV

Miss Elizabeth TSE, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Jeremy GODFREY
Government Chief Information Officer

Mr Stephen MAK, JP
Deputy Government Chief Information Officer
(Consulting and Operations)

Mr Victor LAM
Assistant Government Chief Information Officer
(Business Transformation)

Agenda item V

Mr Gregory SO, JP
Under Secretary for Commerce and Economic
Development

Miss Elizabeth TSE, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Alan SIU, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Miss Eliza LEE, JP
Director-General of Telecommunications
Office of the Telecommunications Authority

Mr Danny LAU
Assistant Director (Regulatory)
Office of the Telecommunications Authority

Mr Sidney TSAN
Senior Regulatory Affairs Manager (Regulatory 21)
Office of the Telecommunications Authority

Agenda item VI

Miss Elizabeth TSE, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Alan SIU, JP
Deputy Secretary for Commerce and Economic

Development (Communications and Technology)

Mr Aaron LIU

Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Technology)A

Mr Vincent LIU, JP

Commissioner for Television and Entertainment
Licensing

Mr PO Pui Leong

Assistant Commissioner for Television and
Entertainment Licensing (Broadcasting)

**Attendance by
invitation**

: Agenda item V

Communications Association of Hong Kong

Dr Hubert CHAN

Chairman

Agenda item VI

Metro Broadcast Corporation Ltd.

Ms Bianca MA

Managing Director

Mr SUNG Man-hei

Deputy Managing Director & Chief Operations
Director - Metro Finance

Hong Kong Commercial Broadcasting Co. Ltd.

Ms Rita CHAN

General Manager

Ms Amy WONG

Director of External Affairs

Ms Anita YU

Financial Controller

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (1)3

Staff in attendance : Ms Annette LAM
Senior Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)6

Action

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)223/10-11 -- Minutes of meeting held on
14 October 2010)

The minutes of the meeting held on 14 October 2010 were confirmed.

II. Information papers issued since the last meeting

(LC Paper No. CB(1)2789/09-10(01) -- Submission from a member
(Chinese version only) of the public urging the
Television Broadcasting
Limited to stop repeatedly
broadcast the recent
incident of a Hong Kong
tour group being taken
hostage in the Philippines

LC Paper No. CB(1)2859/09-10(01) -- Invitation from the
(English version only) and Broadcasting Authority on
LC Paper No. CB(1)2859/09-10(02) public hearings for the
mid-term review of the
sound broadcasting licences
of Commercial
Broadcasting Company
Limited and Metro
Broadcast Corporation
Limited

LC Paper No. CB(1)129/10-11(01) -- Submission from Mr
(Chinese version only) Stephen SHIU expressing
views on unfair competition

in free-to-air television and
Broadcasting Ordinance)

2. Members noted that the above papers had been issued for the Panel's information.

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)297/10-11(01) -- List of outstanding items for discussion

LC Paper No. CB(1)297/10-11(02) -- List of follow-up actions)

Special meeting scheduled for 18 November 2010

3. The Chairman reminded members that a special meeting would be held on 18 November 2010 at 2:30 pm to receive views from deputations and members of the public on the mid-term review of sound broadcasting licences of Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited.

(Post-meeting note: With the concurrence of the Chairman, the special meeting originally scheduled for 18 November 2010 was rescheduled to 11:00 am on 19 November 2010 to avoid a clash with the anticipated continuation of Council meeting on 18 November 2010.)

Regular Panel meeting in December 2010

4. Members noted that the next regular Panel meeting would be held on Monday, 13 December 2010 at 2:30 pm to discuss the following items:

- (a) Spectrum Utilization Fee; and
- (b) Media asset management of Radio Television Hong Kong.

(Post-meeting note: With the concurrence of the Chairman, the next regular meeting originally scheduled for 13 December 2010 was rescheduled to be held on 10 December 2010 at 10:45 am.)

**IV. Capital Works Reserve Fund Head 710 Computerization
Subhead A007GX (Block Allocation) – New administrative
computer systems**

(LC Paper No. CB(1)297/10-11(03) -- Administration's paper on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems

LC Paper No. CB(1)297/10-11(04) -- Paper on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems prepared by the Legislative Council Secretariat (background brief))

Presentation by the Administration

5. At the invitation of the Chairman, the Permanent Secretary for Commerce and Economic Development (Communications and Technology) (PSCED(CT)) briefed members on the 2011-2012 funding requirement for the implementation of computerization projects under the Capital Works Reserve Fund (CWRP) Head 710 Computerization Subhead A007GX (block allocation). PSCED(CT) sought members' support for the proposed block allocation of \$780 million which was \$65 million (about 9%) higher than the provision of \$715 million for 2010-2011. Details of the funding requirement and new projects to be funded by the block allocation were set out in the Administration's paper (LC Paper No. CB(1)297/10-11(03)).

Discussion

6. Ms Cyd HO noted that projects costing above \$10 million each were subject to the specific approval of the Finance Committee (FC) of the Legislative Council while authority to approve projects costing above \$150,000 but not exceeding \$10 million under the block allocation was delegated to the Government Chief Information Officer (GCIO). Noting that there was a total of 543 projects under the proposed block allocation in 2011-2012, she expressed concern whether the cost of each project had been

kept below the \$10 million threshold to avoid seeking funding approval from FC. She requested the Administration to provide detailed information on the projects, including the project descriptions, project owner and the proposed funding requirement for members' information. PSCED(CT) advised that to enhance transparency, information on all the proposed new projects, approved projects and their tender-related information had been published on the Digital 21 website (<http://www.info.gov.hk/digital21/eng/catalogue/cata.html>).

7. Ms Cyd HO referred to the recent media coverage about the tendering exercise for the \$220 million five-year support programme to help students from low-income families acquire suitable and affordable computers and Internet access for on-line learning at home. She said that according to the press report, the Government had asked the Hong Kong Council of Social Service (the bidder with the highest score) to cooperate with another organization. She described this action by the Government as "unusual" and called for an explanation in order to address public concern about the impartiality of the tendering procedures. In this connection, she had sent a letter to the Chairman of the Panel on Information Technology and Broadcasting (ITB Panel) and copied to the Panel on Education requesting that a meeting be held to discuss the issue. She called on the Government not to finalize the award of contract before the meeting. Concurring with Ms HO, Mr LEE Wing-tat said that the matter should be discussed at a future meeting of the ITB Panel.

Admin

8. PSCED(CT) highlighted that the Government was committed to upholding the principles of impartiality in the tendering of all Government projects to ensure adherence to established procedures and safeguard the proper use of public money. She said that the Administration had adhered to the established procurement procedures for the five-year support programme and would prepare an information paper on the matter in due course to address members' concern. She stressed that the controlling officer of the project had the legal responsibility for awarding contract in accordance with the established procedures. The Chairman advised that he would consider members' request to discuss the matter upon receipt of the Administration's paper.

(Post-meeting note: Mr LEE Wing Tat had sent a letter to the Chairman dated 11 November 2010 requesting that the matter be discussed at a future meeting of the ITB Panel.)

9. Dr Samson TAM welcomed the additional provision for 2011-2012, and enquired about the actual spending for the past year. The Deputy Government Chief Information Officer (Consulting and Operations)

(DGCIO(C&O)) replied that about 98% of the block allocation for the past year had been expended. He added that the projects were reviewed every half-yearly or quarterly to ensure optimum utilization of the block allocation. Project owners were required to closely monitor and review the project schedule to provide realistic cash flow projection based on the latest project implementation progress, so as to avoid unnecessary locking up of funds by individual projects and enable the deployment of funds to meet the requirements of other urgent or higher priority projects.

10. Dr Samson TAM enquired about the funding provision for Government e-engagement exercises in disseminating information to the public and engaging the public in the discussion of public policy and social issues. Referring to the four main categories into which the new projects were classified (paragraph 7 of LC Paper No. CB(1)297/10-11(03)), he called on the Administration to consider creating a separate category for projects to specifically encourage and promote the use of information technology in Government e-engagement initiatives.

11. DGCIO(C&O) replied that departments and bureaux had deployed various channels and platforms in their e-engagement exercises, and the related expenses were mainly absorbed in departmental expenses. To enhance the Government's interface with the public and the effectiveness of Government's e-engagement initiatives, seminars and workshops would be organized for different levels of officers to acquire the skills in designing and implementing effective e-engagement exercises. A major seminar of this kind was scheduled for December this year. Bureaux and departments would also develop or deploy social media applications for their e-engagement exercises.

12. On e-Government service delivery, the Chairman enquired whether users would be able to access different Government services through a single user account on the relevant website so as to enhance convenience to the general public. The Government Chief Information Officer (GCIO) said that to improve e-Government service delivery and to make it easier for citizens to use the services that were most relevant to them, a personalized version of GovHK (MyGovHK) would be launched next month which would provide users with the option of an easy sign-on function to access different online public services via an integrated user account.

13. The Chairman commended the Inland Revenue Department and the Rating and Valuation Department for their user-friendly electronic services whereby application forms could be filled up and submitted electronically, and tax-related matters, such as income tax, property tax and stamp duty, could be processed online. He asked whether the Administration had any

long-term plan to make all Government forms available on the relevant website and for electronic submission of forms. He urged the Administration to step up efforts in drawing up comprehensive and integrated strategies to encourage and assist those bureaux and departments that were relatively slow in automation and computerization to catch up on e-Government initiatives.

14. In reply, DGCIO(C&O) said that all down-loadable forms and forms that could be submitted electronically could be located in the Government Forms website. Continued efforts would be made to promote the adoption of e-business solutions by departments, and develop technical applications to facilitate electronic submission of forms. A cross-departmental e-government working group had been set up to provide guidance and draw up long-term development strategies to achieve greater synergy. He believed that given time, departments would progressively adopt e-business solutions to improve their service delivery.

15. The Chairman concluded that the Panel supported in principle the proposed block allocation for consideration by the Public Works Subcommittee.

V. Chargeable mobile content services

(LC Paper No. CB(1)297/10-11(05) -- Administration's paper on chargeable mobile content services

LC Paper No. CB(1)297/10-11(06) -- Paper on chargeable mobile content services prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1)341/10-11 -- Administration's paper on chargeable mobile content services (power-point presentation materials))
(tabled at the meeting and subsequently issued via e-mail on 9 November 2010)

Presentation by the Administration

16. With the aid of power-point, Senior Regulatory Affairs Manager (Regulatory 21) of the Office of the Telecommunications Authority (SRAM(R21)) of OFTA briefed members on the voluntary industry code entitled "Code for the Provision of Chargeable Mobile Content Services" (the Code) promulgated and put into effect by the Communications Association of

Hong Kong (CAHK) on 11 January 2010, and the modus operandi of the Administrative Agency (AA) established by the CAHK on 31 March 2010. The Code and the industry self-regulatory scheme aimed to govern the practices of third party content service providers (CSPs) in providing chargeable mobile content services (MCS) through short messaging services (SMS) and multimedia messaging services. Details of the Code and the scheme were set out in the Administration's paper (LC Paper No. CB(1)297/10-11(05)) and power-point presentation materials (LC Paper No. CB(1)341/10-11).

Discussion

The Code and the industry self-regulatory scheme

17. Mr Ronny TONG doubted whether the industry self-regulatory scheme could effectively safeguard consumer interest and resolve the problem of billing disputes arising from chargeable MCS.

18. The Under Secretary for Commerce and Economic Development (USCED) and the Director-General of Telecommunications (DG of T) said that the general downward trend in the number of complaints received in relation to MCS and the relatively small amount of charges involved (ranging between HK\$25 and HK\$75) reflected that the industry self-regulatory scheme was making progress in addressing the problem. DG of T added that since the issue of the Code in January and the operation of the industry self-regulatory scheme in June 2010, the number of complaints had dropped from 40 in December 2009 to only four in June 2010. Although the complaint figures for July to September 2010 rebounded slightly to an average of 12 cases per month, the number of complaints had dropped to six in October 2010. She said that the merit of the existing system was that by identifying the 15 CSPs, the AA could handle the complaints directly with the CSPs concerned. Even for cases that were not substantiated, the AA could, through the existing mechanism and in light of consumer feedback, follow up with the CSP as necessary on improving the contents of the website concerned. OFTA would continue to monitor the situation closely and fine-tune the Code with CAHK when necessary.

19. Mr Ronny TONG noted that a CSP found to have breached the Code would be issued with a warning letter and be required to suspend the relevant MCS. Only after the CSP concerned had made rectification to the AA's satisfaction could the relevant MCS be resumed. If the CSP failed to suspend the service at the AA's request, the AA would revoke the Letter of Positive Assessment (LPA) and request all mobile network providers (MNOs) to disconnect all MCS of the concerned CSP from their platform. He raised

concern whether the penalty would be too harsh for cases where the non-compliance was not serious and the amount in dispute was only a small sum.

20. DG of T explained that an LPA would be revoked only after the concerned CSP had received a total of three warnings from the AA within a period of 2 months and failed to rectify the non-compliance to the satisfaction of the AA. She said that the concerned CSP should have sufficient time and ample opportunities to make the necessary rectifications. For example, for making changes to the webpage information for cases where the display of charging information was not clear enough, it would take only a few days for the CSP to complete the revision.

21. Dr Samson TAM enquired about the number of MNOs participating in the self-regulatory scheme and whether the AA charged the CSPs for obtaining the LPA. Mr IP Kwok-him asked about the market share of the participating CSPs. DG of T advised that all five MNOs which operated and had control over the mobile network platforms had agreed to comply with the Code and with effect from 1 June 2010. They would enter into contracts only with those CSPs that had obtained an LPA from the AA. The AA had not levied any charges on the CSPs. While it was estimated that there were 30 to 40 CSPs around end 2009, a total of 15 CSPs had successfully obtained LPAs from the AA at present.

22. Dr Samson TAM said that while he welcomed the self-regulatory scheme which served to protect consumer interests and enhance the transparency of the charging information of MCS, he hoped that the mechanism would not inhibit market development and would strike a right balance in encouraging more market entrants.

23. In response to Mr WONG Ting-kwong's enquiry on why the remaining CSPs did not participate in the scheme and apply for the LPA, DG of T said that apart from the 15 third-party CSPs providing MCS through the platform of the MNOs, there were also CSPs providing MCS to customers under the portal of the five MNOs. No deadline was set for application to AA for LPA. Any third-party CSPs who considered themselves having satisfied the requirements of the Code could apply for the LPA at any time to provide MCS.

Complaints relating to billing disputes

24. Mr IP Kwok-him noted that while the Consumer Council (CC) had received more than 400 complaints relating to billing disputes in 2009, OFTA had recorded only 40 complaints in December 2009 and a total of 96

complaints in 2009. He sought explanation on the discrepancy on the number of complaints and asked whether and how OFTA would cooperate with CC in handling the complaints.

25. DG of T explained that the complaint figures given by OFTA referred only to billing disputes arising from chargeable MCS while the figures quoted by CC included other telecommunications services such as mobile data services. She added that CC had recently referred 31 cases to OFTA. The AA would follow up the complaints after CC had obtained the consent of the complainants concerned.

26. Mr WONG Ting-kwong noted that the complaint figures for July to September 2010 had increased slightly and enquired about the reason for the rebound. DG of T said that although the complaint figures for the said period had increased slightly (averaging 12 cases per month), the number of complaints dropped to six in October 2010. The AA's investigation found that 70% of the complaints received in the third quarter of 2010 were attributable to an MCS provided by one particular CSP relating to insufficient clarity of its website layout at the time of subscription. Although the concerned CSP had not breached the relevant provisions in the Code, upon request of the AA, the CSP had promptly implemented changes to increase clarity in the display of charging information in its registration webpage.

27. Ms Cyd HO expressed disappointment at the rising problem of the alarmingly high charges for mobile data services (some up to HK\$10,000), and cases of debt collectors harassing the elderly for default payment. She opined that apart from regulating CSPs and consumer education, the Administration should draw up a timetable to also regulate the MNOs and mobile data service charges.

28. In reply, DG of T said that with the three-fold increase in the volume of mobile data usage and an increase of 1 million in the number of 3G mobile users in the recent year, the number of complaints about exorbitant mobile data service charges was on the rise. To address the rising problem of unexpectedly high mobile data charges, OFTA, in conjunction with the industry, had put in place measures such as placing a cap on mobile data charges and mobile data usage, providing option for users to unsubscribe the service, and issuing SMS alerts to users to protect consumers from "bill shocks". The improvement measures adopted by the MNOs since August 2010 were posted on the OFTA website for consumer information. Continued efforts would be made to step up consumer education and launch a second round of publicity, including the announcements in the public interest (API), to alert users of data usage and unexpected mobile data service charges, and arouse consumers' awareness of the choices available.

29. The Chairman said that he had raised the concern about exorbitant mobile data charges during an informal meeting with the Administration on the work plan of the Panel for the 2010-2011 session.

30. In conclusion, the Chairman urged the Administration to monitor the situation closely and called on the industry to strengthen self-regulation and enforcement of the Code.

VI. Progress report on the mid-term review of the sound broadcasting licences

(LC Paper No. CB(1)297/10-11(07) -- Administration's paper on progress report on the mid-term review of the sound broadcasting licences

LC Paper No. CB(1)297/10-11(08) -- Paper on mid-term review of sound broadcasting licences prepared by the Legislative Council Secretariat (background brief)

Presentation by the Administration

31. PSCED(CT) briefed members on the background and the progress of the mid-term review of sound broadcasting licences of Hong Kong Commercial Broadcasting Company Limited (CRHK) and Metro Broadcast Corporation Limited (Metro). Members noted that the Broadcasting Authority (BA) was carrying out a comprehensive assessment on the performance of the two licensees in the past six years from 2004 to 2010. The BA would submit its report and recommendations including proposed licence amendments to the Chief Executive (CE) in Council in the next few months upon completion of the assessment.

Presentation by Metro

32. At the invitation of the Chairman, Ms Bianca MA, Managing Director of Metro, said that to further enhance its sound broadcasting service quality, Metro had increased the investment commitments for 2010-2016 to cater for facilities upgrade, staff development, programming improvement and other development brought by technological advancement. Mr SUNG Man-hei, Deputy Managing & Chief Operations Director-Metro Finance, added that two surveys were conducted every year to gauge listeners' views on

programming with a view to better serving the community.

Presentation by CRHK

33. Ms Rita CHAN, General Manager of CRHK, said that CRHK would continue to make its best effort to serve the community in compliance with the programming and regulatory requirements. The CR1 channel would run more programmes encouraging social responsibility and fostering positive values of a caring society while CR2 featuring pop culture and music would mainly target young listeners. CRHK would steadfastly uphold editorial independence and provide platforms to facilitate plurality of views in the community. She said that CRHK's proposed investment in 2010-2016, though less than the investment in 2004-2010, had not included the investment commitment (not less than HK\$200 million) for the development of new media services. Although CRHK did not apply for a digital audio broadcasting licence, it would continue to develop its new media business and Internet broadcasting.

Discussion

34. The Chairman declared that he was dismissed by CRHK while he was serving as a programme host in July 2005.

Investment commitments of the two sound broadcasting licensees

35. Mr LEE Wing-tat enquired about the basis and the criteria for assessing whether the investment commitments proposed by the two licensees were sufficient to effectively provide quality sound broadcasting services to the community. He said that as frequency spectrum was a scarce public resource, the Government should ensure that the licensees had the financial capability to deliver the commitments made in the Six-year Investment Plans and would make the optimum use of the spectrum after their licences were renewed for another six-year. He opined that the investment commitments for analogue and digital broadcasting should be separate, and urged the licensees to make dedicated efforts to develop analogue broadcasting instead of putting all resources on digital multi-media services.

36. PSCED(CT) and the Commissioner for Television and Entertainment Licensing replied that the BA was carrying out a comprehensive assessment on the performance of the two licensees in the six-year period from 2004 to 2010, and had yet to finalize its assessment on the Six-year Investment Plans for 2010-2016 submitted by the two licensees. In general, the BA would look into whether the licensees had the financial capability to deliver the

commitments made in the Six-year Investment Plans against their commitment and performance in the past six years. Apart from capital and programming investment commitments, other factors such as public views and expectations, as well as the licensees' compliance with regulatory and positive programme requirements, would also be taken into consideration.

37. Mr LAU Kong-wah noted that Metro had increased its investment commitment from HK\$566.7 million in 2004-2010 to HK\$763.9 million in 2010-2016, while that of CRHK dropped from HK\$1,090 million in 2004-2010 to HK\$812.8 million in 2010-2016. He invited the representatives of the two licensees to elaborate on their proposed investment plans.

38. Ms Bianca MA said that to further enhance service quality, Metro's capital investment for 2010-2016 was substantially increased for the purpose of upgrading the facilities and equipment for studios and transmission stations, and to cater for staff development and training, programming improvement and other development brought by technological advancement.

39. Ms Rita CHAN said that the proposed commitment of CRHK for 2010-2016 had not included the HK\$200 million investment commitment for the development of interactive multi-media services. She attributed the decrease in the proposed investment in 2010-2016 to its conservative approach in preparing the investment plan in the light of the economic uncertainty following the economic downturn in 2008. She highlighted that the proposed investment of \$812.8 million in 2010-2016 was comparable to its actual investment (close to HK\$800 million) for the previous six years from 2004 to 2010.

Programming requirements

40. In response to Mr LEE Wing-tat's enquiry, PSCED(CT) said that there was no plan to require the two licensees to increase the time for API to promote Government policies.

41. In response to Mr IP Kwok-him's enquiry, Ms Rita CHAN advised that CRHK's programme for senior citizens (over the age of 60) totally 1.1 hours each week had met the minimum requirement of two half-hour programmes per week.

42. Mr Ronny TONG noted that the amount of current affairs programme provided by CR1 and CR2 was 19.1% and 7% respectively while that of Metro Info and Metro Plus stood at only 0.6%. He was disappointed that the weekly average broadcast hours of current affairs programmes provided

by Metro was far less than that of CRHK, and urged the Administration to impose licence conditions requiring Metro to increase its resources and broadcast time for current affairs programme. The Chairman and Mr LEE Wing-tat shared a similar view and opined that on top of the minimum requirement, Metro should pledge to achieve a target percentage for current affairs programmes in 2010-2016.

43. Ms Bianca MA replied that in response to public feedback, Metro would strengthen its current affairs programme starting from 1 January 2011, and progressively increase the broadcast hours of current affairs programme aiming at a double digit increase. Apart from meeting the minimum positive programme requirements, Metro would also strive to increase its programme for young persons, senior citizens as well as programmes on social issues and public concerns.

44. PSCED(CT) said that while not pre-empting the BA, it would take into account public expectation when making its recommendations to the CE in Council. She added that Metro had so far fulfilled the minimum broadcast requirement of 90 minutes of current affairs programme each week between 8:00 am and 12:00 midnight.

Complaints handling mechanism

45. Mr IP Kwok-him noted that out of the 1,333 complaints about programme materials, and 328 complaints about advertising and non-programme materials, only 20 and 7 sanctions were imposed by BA respectively. He expressed concern about the low sanction rate and enquired about the complaint handling mechanism. PSCED(CT) replied that every complaint was carefully examined by the Complaints Committee under the BA in accordance with the established procedures. The respective number of complaints and sanctions imposed per se might not be indicative as a number of complaints might relate to the same subject matter and might attract the same sanction on the same licensee.

Radio broadcasting on the Internet

46. Dr Samson TAM noted that more and more people, especially youngsters, listened to radio programmes on the Internet. He asked whether the two licensees had conducted any survey on the trend of Internet broadcasting and traditional broadcasting, and enquired about the two licensees' future investment plan for Internet broadcasting. He said that investment for Internet radio should not be bundled with investment commitments for traditional radio broadcasting.

47. Ms Bianca MA said that Internet broadcasting was launched by Metro since 2006 mainly as a supplement to traditional radio broadcasting so that audience in areas where reception of Metro programmes was not very good such as Cyberport, Chai Wan and East Kowloon, could also access its programmes.

48. Ms Rita CHAN said that Internet broadcasting was a new tool in a fast changing multi-media broadcasting landscape to keep up with technological advancement. While its Internet radio channel "Hong Kong Toolbar" was popular among the young audience, traditional radio broadcasting remained CRHK's core business. She added that most of the CRHK programmes were broadcast on traditional radio channels while certain programmes considered suitable would also be broadcast on the Internet. CRHK had no plan to substantially increase the development of new programme content for Internet radio, and its investment on Internet radio was mainly attributable to related technological development, personnel recruitment and manpower training.

49. Dr Samson TAM asked whether radio programmes on the Internet were free to the public. He said that members of the public had called for a free Internet-based programme archive service. The Chairman opined that Internet radio programmes and Internet-based programme archive service should be free as there was revenue generated from advertising.

50. Ms Bianca MA replied that live broadcast of Metro was free and the existing programme archive service provided by Metro was also free for the first three months. Ms Rita CHAN said that live broadcast of CRHK was free and the archive of certain programme provided by CRHK on the Internet was also free. Depending on the operation costs, CRHK would explore the possibility of providing free programme archive service on the Internet in the long run.

51. In response to Dr Samson TAM's enquiry about the regulation of Internet radio broadcasting, PSCED(CT) advised that only the analogue broadcasts of the two licensees were subject to the regulation of the present sound broadcasting licence conditions and relevant positive programming requirements. The Administration had no intention to regulate broadcasting on the Internet presently.

Editorial independence and freedom of expression

52. Ms Emily LAU referred to the recent dismissal of a senior management of the news division of Metro, and the dismissal of several famous programme hosts of CRHK a few years ago. She questioned why

some of the popular programmes (such as those run by the dismissed programme hosts) which generated much revenue for the radio stations were discontinued. She said that members of the public were gravely concerned whether the management of the two sound broadcasters had directly or indirectly interfered with the editorial independence of the news and current affairs division, and whether programming staff had exercised self-censorship in their news reporting and current affairs programme to avoid offending big financial conglomerates or the Central Government. In this connection, the Chairman questioned why survey on the listener ratings had not been conducted since the discontinuation of the popular talk shows run by the dismissed programme hosts.

53. In reply, Mr SUNG Man-hei and Ms Rita CHAN said that the management had all along respected the editorial independence of the news and programming team and had never exerted any undue influence on the programme content. Ms Rita CHAN added that Metro, CRHK and RTHK had great disputes over a joint survey on programme ratings conducted in 1997. During the recent public hearings conducted by the BA, some members of the public had called on the BA to conduct a joint survey on programme ratings.

54. The Chairman criticized that the mid-term review and the public consultation were merely conducted as a routine. He urged the Government to take this opportunity to drive for improvement to the operation and the programming of the two licensees for the benefits of the community. He also urged the Administration to review the outdated licensing mechanism and address members' concern raised at the meeting, in particular, the low percentage of current affairs programme provided by Metro.

VII. Any other business

55. There being no other business, the meeting ended at 4:45 pm.