

## **ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 160 – RADIO TELEVISION HONG KONG Subhead 000 Operational expenses**

Members are invited to recommend to Finance Committee the retention of the following supernumerary post in Radio Television Hong Kong for a period of five years from 27 May 2014 to 26 May 2019 –

1 Administrative Officer Staff Grade B  
(D3) (\$158,850 - 173,350)

### **PROBLEM**

The existing supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3) in Radio Television Hong Kong (RTHK) will lapse on 27 May 2014. We need to maintain strong governance at the senior directorate level of RTHK to ensure effective planning and implementation of new projects and services so that RTHK can continue to fulfill its mission as the public service broadcaster (PSB) in Hong Kong.

### **PROPOSAL**

2. We propose to retain the supernumerary post of AOSGB (D3) in RTHK for five years from 27 May 2014 to 26 May 2019 to lead and steer the planning and implementation of new projects and services in RTHK.

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## JUSTIFICATION

3. Following the Government's decision in September 2009 for RTHK to expand its scope of services to fulfill its mission as the PSB of Hong Kong, RTHK has since been embarking on various new services and projects, including the launch of digital audio broadcasting (DAB) and digital terrestrial television (DTT) broadcasting services, facilitating community involvement in broadcasting, establishing a digital media asset management (MAM) system and planning for the construction of the new Broadcasting House (New BH) in Tseung Kwan O.

4. In view of the immense workload expected to be handled by RTHK arising from these new services and projects, the Finance Committee (FC) approved on 27 May 2011 (vide EC(2011-12)1) the creation of one supernumerary AOSGB post, designated as Deputy Director of Broadcasting (Developments) (DD of B (Developments)), for three years up to 26 May 2014 and one permanent post of Controller (Broadcasting Services) (D1), designated as Controller (Radio), in RTHK to strengthen its directorate support in order to ensure the smooth implementation of the new projects and services. Since then, DD of B (Developments) has been leading and coordinating various major projects and achieved numerous important milestones. Details are as follows –

- (a) **New BH** - The New BH is planned to be located at a site in Area 85, Tseung Kwan O. During the past three years, RTHK has been working closely with relevant government departments to complete the planning and preparation work for the construction of the New BH. Major tasks included obtaining approval for change of land use of the site concerned, drawing up of detailed accommodation requirements, preparation of the user requirements and completion of various stages of the tender procedures, as well as consultation with relevant stakeholders on the desired visitors' experience in the New BH.
- (b) **DAB and DTT** - The DD of B (Developments) has been heavily involved in the formulation of strategies and negotiation with commercial operators regarding network development issues. The establishment of the required DAB transmission network and DTT transmission network at various hilltop sites has been completed. With the completion of the major DAB and DTT transmitting stations, RTHK formally launched five DAB channels on 17 September 2012, and started the DTT channel trial run on 12 January 2014. To extend the coverage of the DTT service, we have planned for the establishment of a network of 22 DTT fill-in stations. We consulted the Panel on Information Technology and Broadcasting on 10 March 2014. With the support of the Panel, we plan to submit the funding application to the FC for approval in May 2014.

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- (c) **MAM** - Funding has been allocated to RTHK to embark on an MAM project starting from 2011-12 to restore archive materials at risk, digitise the most valuable portion of RTHK archives, and provide specialised storage for the archive materials to facilitate easy access and retrieval. RTHK has already completed the digitisation of its photo archive contents and is conducting digitisation of audio and video archive contents. RTHK has been working towards completing the target restoration and digitisation work by the end of 2015-16.

5. The supernumerary DD of B (Developments) post will lapse on 27 May 2014. The Administration has conducted a review on the operational needs of the post and considered it necessary to extend its duration for five years. In the coming five years, RTHK needs continued dedicated directorate support to handle issues arising from the planning and implementation of major new services and projects, including the work mentioned in paragraph 4(a) to (c) above. While there are technical and professional staff in RTHK and works departments to provide technical support on these new services and projects, RTHK requires an officer at the senior directorate level to steer through the complex issues involved from the macro perspective, as well as co-ordinate efforts both among different sections within RTHK and with relevant policy bureaux/departments and other stakeholders. Details are elaborated in the paragraphs below.

### **Development of the New BH**

6. The funding proposal of the New BH was not supported by the Public Works Subcommittee (PWSC) at its meeting on 3 January 2014. The Administration's subsequent efforts to address PWSC Members' concerns by reducing the project estimate by \$750 million or about 12% were unable to secure sufficient support from the PWSC Members. The Administration therefore decided not to re-submit the revised funding application to the PWSC at this stage.

### *Re-planning of the Project*

7. When considering the funding proposal for construction of the New BH, PWSC Members generally agreed in principle to the need for RTHK to have a New BH to re-provision its ageing and obsolete facilities and its current sub-standard accommodation. However, Members had concerns about the cost estimate and scope of the project. RTHK and the Architectural Services Department (ArchSD), which is the works agent, have proceeded to consider how best to re-plan the project in the light of the concerns expressed.

8. In particular, RTHK will take a critical review of the facilities required in the original proposal and explore whether there are possible ways and means of adjusting the scope of the project and reducing project cost. It will also review with ArchSD the delivery mode of the project and re-examine the pros and cons of the “Design and Build” approach vis-à-vis the conventional “Consultancy” mode. It is expected that the new tender exercise will take at least 24 months to complete after the review. To minimise the delay to the project, RTHK will need to complete re-planning and re-tendering within the shortest period of time.

9. A strong governance at the senior directorate level is essential to steering and driving the project with a view to ensuring the effective and timely completion of the tasks involved. These require co-ordination at the macro level across divisions within RTHK as well as among different bureaux/departments, securing necessary resources at appropriate stages, close monitoring of implementation of various work plans, resolution of outstanding issues emerging at the early stage to avoid any derailing of the work plans, and exercising cost control throughout the re-planning process.

#### *Construction and Migration*

10. Subject to the funding approval by the FC and completion of the new tender exercise, DD of B (Developments) will need to oversee and monitor construction of the New BH, coordinate issues related to the procurement and installation of equipment and prepare for the migration plan of RTHK from its existing premises to the New BH.

11. The New BH will be equipped with highly technical and sophisticated broadcasting, production and telecommunications facilities. Upon the completion of construction works in phases, RTHK will need to have careful planning and close monitoring to ensure timely procurement and delivery of the required equipment, including uninterrupted power supply system, lighting suspension system at the TV studios, sound broadcasting equipment at the radio continuity studios, air blown fibre back-bone of the production and telecommunications network. The department also has to co-ordinate closely with ArchSD, the contractor of the New BH and RTHK’s own contractors of broadcasting facilities to arrange for advanced establishment of such necessary facilities in different phases when the building is still under construction.

12. Installation of the above critical facilities involves careful planning at the early stage, and complicated co-ordination of a large number of activities which require direct involvement at the senior directorate level. If they are not planned or implemented properly to ensure correct and timely interfacing of construction,

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cabling and equipment installation works, these will not only delay the installation of equipment and subsequent construction works, but also affect the commissioning date of the New BH. It may also result in the need for incurring additional expenditure for the project, lead to potential claims from the contractors, and adversely affect the future operation and workflow of RTHK. It is therefore vital to have meticulous planning and effective co-ordination among all parties concerned to ensure effective implementation of all the critical activities in the course of the project.

13. The relocation of RTHK from its existing premises at Broadcast Drive to the New BH will be a highly complex exercise. It has to be conducted by phases. During the transition period, RTHK needs to maintain its broadcasting services without any interruptions. In addition, there would be a large volume of sophisticated and valuable systems moving from the existing RTHK premises to the New BH. Hence, RTHK has to draw up at an early stage a well-planned and properly co-ordinated migration and commissioning plan having regard to its unique operations to facilitate a seamless relocation by stages.

14. To accomplish the tasks as set out in paragraphs 7 to 13 above, RTHK needs leadership at senior directorate level to steer and drive the re-planning and re-tendering of the New BH project; oversee the progress of construction of the project and procurement of equipment; steer the co-operation and liaison among RTHK, the ArchSD, other bureaux/departments, the main contractor of the New BH project and other sub-contractors; supervise the preparation of migration plans, and devise contingency/alternative plans to cater for unforeseen circumstances. While the New BH project involves mainly technical issues, the steering, planning, co-ordination, monitoring, resources control, contingency and crisis management issues for such a large-scale and complex project, which involve numerous parties and complicated issues, are all macro planning and management-related matters that require strong leadership and administrative skills at the senior level. It is therefore necessary for the project to be steered by an officer from the Administrative Officer grade, while the technical issues are being tackled at the working level.

## **DTT**

15. As part of the PSB service package, RTHK is providing progressively DTT service with three TV channels. Since 1 July 2012, RTHK has been conducting signal tests for the TV channels and has started the DTT channel trial run from 12 January 2014. Subject to the completion of the necessary technical infrastructure and the result of the DTT channel trial run, RTHK plans to fully launch its DTT service after the commissioning of the New BH when the required space and facilities are available.

16. The coverage of RTHK's DTT service has reached only 75% of Hong Kong's population by the end of 2013. Subject to FC's funding approval, RTHK will establish 22 DTT fill-in stations, at an estimated cost of \$64.2 million, by phases in the next few years such that RTHK's DTT network coverage will increase to around 99% of the population. RTHK will negotiate with the two commercial domestic free TV operators the rental of suitable transmission sites for establishment of the fill-in stations, acquire the required essential transmitters and equipment, and conduct technical trials.

## **Other Projects**

### *MAM*

17. As mentioned above, RTHK's target is to complete by end of 2015-16 the restoration of archive materials at risk, digitisation of the most valuable portion of RTHK archives, and provision of specialised storage for the archive materials to facilitate easy access and retrieval. Following that, RTHK will conduct a comprehensive review on the whole project and the relevant archive policy and decide on the way forward.

### *DAB*

18. RTHK's five DAB channels were formally launched on 17 September 2012. The geographical coverage of DAB service stands at around 70% at present. RTHK will continue to enhance the DAB transmission network, which would involve negotiations with the relevant commercial operators as well as procurement and setting up of transmission equipment.

### *Maintenance of Existing Premises*

19. With the delay of the New BH project, the dilapidated, congested and deteriorating conditions of the existing premises of RTHK along the Broadcast Drive have to be properly tackled through interim measures in order to maintain the current standard of public broadcasting services provided to the public. It is necessary to co-ordinate a large number of maintenance projects in order to extend the life span of the existing premises. Upgrading of some obsolete facilities are also required in order to meet present-day broadcasting standards. Interim measures for relieving the congested situations also need to be implemented. All these require careful planning, proper co-ordination and strong governance at senior directorate level for working out cost-effective and timely solutions until the eventual relocation of RTHK to the New BH. Specifically, DD of B (Developments) will lead these efforts which include exploring accommodation options (such as renting

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and reshuffling of space, relocation of some offices and contracting out some services) for sustaining the operation in the existing premises, and work with the professional departments to resolve the conflicting needs of stepping up maintenance in the old premises on one hand while providing continuous broadcasting services on the other.

### **Extension of the DD of B (Developments) Post in RTHK**

20. In the coming five years, RTHK needs dedicated support at the senior directorate level to oversee the re-planning and re-tendering of the New BH project, to plan and co-ordinate installation of the critical facilities at the New BH by phases during the construction stage, and to plan for the migration of RTHK from its existing premises to the new building. In addition, high-level steer is also required for the further developments of DTT, DAB, MAM and other RTHK's new services. Having considered the complexity of tasks to be tackled by RTHK in the coming five years and the immense workload involved, we propose to extend the DD of B (Developments) post for five years, i.e. from 27 May 2014 to 26 May 2019. In fact, with the delay of the New BH project, extension of the DD of B (Developments) post has become more imminent because the post not only has to oversee the tasks previously planned for the coming five years, but also to take up the re-planning and re-tendering of the New BH project, and additional maintenance projects for the existing premises.

21. We also consider that the post is more appropriate to continue to be filled by an officer from the Administrative Officer grade who possesses strong background and capability in government administration, given that the DD of B (Developments) is required to steer through the complicated issues arising from the planning and implementation of various new services and projects from the macro perspective, as well as co-ordinate efforts both among different units in RTHK and with policy bureaux/departments and other stakeholders for effective delivery of the services and implementation of the projects. The organisation chart of RTHK and the proposed job description of DD of B (Developments) are at Enclosure 1 and Enclosure 2 respectively.

Encls. 1 & 2

### **ALTERNATIVES CONSIDERED**

22. We have critically examined the possibility of redeployment within RTHK to absorb the duties of the post. However, this is considered not feasible because the capacity of the existing DD of B (Programmes) has already been fully stretched in his schedule of work, particularly the heavy involvement in editorial management and planning for programming on the DAB, DTT and new media

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platforms. As regards the other directorate officers, namely two Assistant Directors of Broadcasting (D2), three Controllers (Broadcasting Services) (D1) and one Principal Executive Officer (D1), they are heavily engaged in programme-related and operational functions which have increased drastically because of the launch of new services and projects. They also fall short of the senior directorate ranking required to take up the high-level strategy formulation and to ensure the strong governance for steering the large-scale and complex projects within the portfolio of the DD of B (Developments) post.

## FINANCIAL IMPLICATIONS

23. The proposed extension of the supernumerary directorate post will require an additional notional annual salary cost at mid-point of \$2,019,000. The additional full annual average staff cost, including salaries and staff on-cost, is \$2,925,000.

## PUBLIC CONSULTATION

24. We consulted the Information Technology Broadcasting Panel on 9 December 2013 and 10 March 2014. Members generally supported the proposal.

## ESTABLISHMENT CHANGES

25. The establishment changes in RTHK for the past two years are as follows –

Establishment (Note)	Number of Posts		
	As at 1 April 2014	As at 1 April 2013	As at 1 April 2012
A	8+(1)#	8+(1)	8+(1)
B	132	103	99
C	527	448	429
<b>Total</b>	<b>667+(1)</b>	<b>559+(1)</b>	<b>536+(1)</b>

Note:

A- ranks in the directorate pay scale or equivalent

B- non-directorate ranks, the maximum pay point of which is above MPS point 33 or equivalent

C- non-directorate ranks, the maximum pay point of which is at or below MPS point 33 or equivalent

()- number of supernumerary posts

# - as at 1 April 2014, there was no unfilled directorate post in RTHK.

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**CIVIL SERVICE BUREAU COMMENTS**

26. The Civil Service Bureau supports the proposed retention of the supernumerary post of AOSGB for the period from 27 May 2014 to 26 May 2019 to ensure effective planning and implementation of the new projects and services of RTHK. The grading and ranking of the proposed post are considered appropriate having regard to the level and scope of responsibilities concerned.

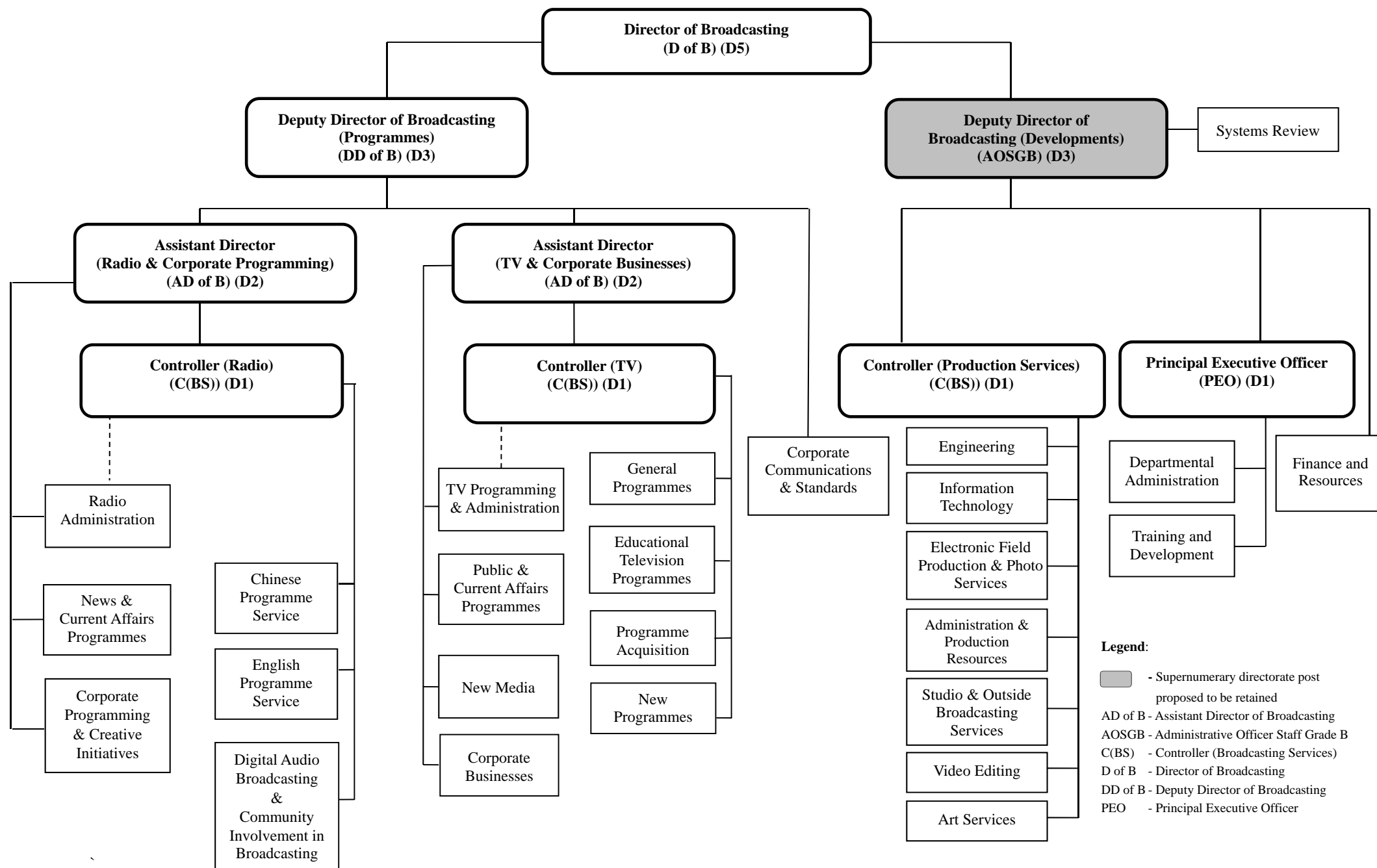
**ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE**

27. As the post is proposed on a supernumerary basis, its retention, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

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Commerce and Economic Development Bureau  
April 2014

## Existing Organisation Chart of Radio Television Hong Kong



**Job Description**  
**Deputy Director of Broadcasting (Developments)**

**Rank** : Administrative Officer Staff Grade B (D3)

**Responsible to** : Director of Broadcasting

**Main Duties and Responsibilities –**

- (1) To lead and coordinate the development of the New Broadcasting House, including overseeing the re-planning and re-tendering of the project, steering the project through the construction and equipment procurement stages, planning for the migration and overseeing any related legal and administrative matters; to oversee the interim measures for maintaining the existing premises and facilities to maintain the existing level of public broadcasting services provided to the public;
- (2) to lead and coordinate the developments pertinent to the launch of digital audio broadcasting (DAB) and digital terrestrial television (DTT) services, including formulating strategies for and leading the commercial negotiations on the construction of DAB and DTT networks and their enhancement with a view to ensuring amicable agreement with the relevant commercial operators and site users; drawing up and implementing strategies and operational plans to tie in with the development of the new Broadcasting House and new market developments;
- (3) to steer the implementation of the Media Asset Management (MAM) project which entails the development of a comprehensive archival policy, the establishment of a metadata structure, the restoration of artifacts at risk, digitisation of archives, provision of manpower and specialist storage facilities for keeping archives, integration of the MAM with the production system, and devising and implementing a policy to facilitate public and industry access to the archives;
- (4) to oversee departmental administration and resources management for ensuring the optimal, efficient and effective use and deployment of the financial, human and production resources of Radio Television Hong Kong (RTHK); and
- (5) to support the Director in any other areas appropriate for achieving RTHK's public purposes and mission and ensuring compliance with the Charter of RTHK.

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