



RADIO TELEVISION HONG KONG

APPENDIX 34

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Our Ref: RTHK CR/4-35/1 Pt.5

Clerk, Public Accounts Committee
(Attn: Mr Anthony CHU)
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee


Consideration of Chapter 5 of the Director of Audit's Report No. 71

Radio Television Hong Kong: Provision of Programmes

Questions and Requests for Information

Your letter of 18 January 2019 to the Director of Broadcasting on the captioned subject is received.

The replies from Radio Television Hong Kong are submitted at **Appendix** for the consideration of the Public Accounts Committee.


(Philip LAM)
for Director of Broadcasting

Encl.

c.c. Secretary for Commerce and Economic Development
Secretary for Education
Secretary for Financial Services and the Treasury
Director of Audit

Follow-up question raised pursuant to Secretary for Financial Services and the Treasury's reply on 28th December 2018

- 6) **What are the details with regards to the review of acquired programmes currently conducted by Radio Television Hong Kong? Whether the review is on past programmes or programmes under negotiation? When will this Committee be informed of the results of the review?**

RTHK's Reply:

- 6) Paragraph 2.35 of the Director of Audit's Report (Audit Report) recommends that Radio Television Hong Kong (RTHK) should review the acquisition procedures of television (TV) and radio programmes and, where necessary, seek advice from the Secretary for Financial Services and the Treasury. RTHK has been proactively following up the recommendations. RTHK is reviewing the procedures of acquiring TV and radio programmes in future, and has written to the Financial Services and the Treasury Bureau to seek advice on whether acquisition of programmes falls within the definition of procurement. The review is expected to be completed by the middle of this year. Upon completion of the review, RTHK will report to the Public Accounts Committee of the Legislative Council on the result as soon as possible.

Follow-up questions raised pursuant to Director of Broadcasting's reply on 4th January 2019

Item 9(a)

- 7) **Referring to the outcome of the trial mentioned in paragraph 2.33(b) of the Director of Audit's Report, has the Government reviewed whether the contract terms and the offer prices of RTHK for acquired programmes were not in line with the market situation?**

RTHK's Reply:

- 7) During the one-month trial from March to April 2016, RTHK followed the procedures stipulated in the Stores and Procurement

Regulations to prepare invitations and call for quotations from distributors for acquiring TV programmes. The contract terms were worked out on the basis of the standard contract terms of the Government Logistics Department. Contracts were agreed and signed by both the distributors and RTHK, which was in line with the general market practice. As for the prices, RTHK called for quotations from the distributors instead of offering prices to them. The quotations from the distributors were driven by the market, and depended mainly on the popularity of the programme, the nature of the programme, the licensing policy of the distributor, etc.

Item 11(b)

- 8) **According to the reply, no production unit of the Community Involvement Broadcasting Service has failed to submit its programme before the scheduled broadcast date. Nevertheless, what are the effects of late submissions on the broadcasting work? What follow-up measures will be taken by RTHK to rectify such late submissions that affect its operation?**

RTHK's Reply:

- 8) Given that most CIBS production units are not professional production teams, RTHK generally requires them to submit programmes in advance in order to avoid possible delays that may eventually affect the broadcasting arrangements. Recordings of the first two episodes are to be submitted one month prior to the scheduled broadcast dates. From the third episode onwards, recordings have to be submitted two weeks before the scheduled broadcast dates. Up to now, although some production units have failed to submit recordings on schedule, RTHK has managed to ensure that the programmes were reviewed before broadcast so as to confirm their compliance with the broadcasting standards in terms of contents and technical aspect. The original programming schedules were also not affected.

Regarding improvement and follow-up measures, RTHK will strengthen the communication with production units and remind them to submit programmes on time through various means (including phone calls, text messages, emails, etc.). If a

production unit fails to submit recordings on time, RTHK will keep in touch with the production unit concerned throughout the process. RTHK will find out their difficulties and provide appropriate and feasible suggestions so that the production unit would be able to submit recordings as soon as possible. RTHK will also continue to ensure that the programmes concerned are reviewed before broadcast to confirm their compliance with broadcasting standards in terms of contents and technical aspect.

Item 12(c)

- 9) **Has RTHK ever imposed penalties as stated in its reply, including issuing warning letters or terminating the contracts, in situations where contractors unreasonably delayed their submissions?**

RTHK's Reply:

- 9) In the past five years (2013-14 to 2017-18), RTHK issued 20 warning letters to contractors for failing to submit the production materials on time, reminding them that they had to complete their programmes and audited reports within the time stipulated in the contracts. After receiving the warning letter, contractors would generally follow RTHK's instructions and complete the work required as soon as possible. There was only one contractor which had still failed to complete its production after receiving the warning letter. RTHK decided to terminate its contract after seeking legal advice from the Department of Justice.

Items 15(a) and (c)

- 10) **Although RTHK considers that re-run programmes would enable viewers to watch programmes in different time slots, it is difficult to justify such views on the basis of ratings. To blindly increase the output/first-run programme hours may not be the right solution for the problem. As such, regarding to RTHK's commitment in the reply that it would increase the output/first-run programme hours, devise a clearer and more systematic programming strategy for re-run programmes and review afresh its production strategy, please advise on the details and the timetable.**

RTHK's Reply:

- 10) Apart from increasing output/first-run programme hours, RTHK also accepts the recommendations of the Audit Report and will review its production strategy as well as devise a clearer and more systematic programming strategy for re-run programmes. In this regard, RTHK will carry out the following work to collect opinion and data in 2019-20 as the basis of the review:
- (i) inviting members of the public to participate in focus groups to express views on RTHK's TV programmes;
 - (ii) drawing reference from and studying the opinion of the RTHK Programme Advisory Panel and the information from the TVAI surveys; and
 - (iii) collecting data of cross-media TV ratings, and introducing trackers to all RTHK mobile applications in order to have a comprehensive grasp of the popularity of different programmes.

RTHK expects that the above-mentioned data collection work will be completed within one year. RTHK will devise clearer strategies for programme re-run and production based on the data obtained.

Items 15(d) and (e)

- 11) (i) **What are the criteria of RTHK in the selection of live broadcast and miscellaneous contents?**
- (ii) **Will RTHK consider making further adjustment to RTHK TV 32 by allocating some of its airtime for news reporting? By making reference to the news channels of other commercial TV broadcasters, RTHK may broadcast on RTHK TV32 its radio and website news of RTHK, as well as the press releases of Information Services Department and other departments. Under circumstances that there are contents need to be broadcast live, will RTHK consider using a dual-display and dual-audio system that allows audience to choose to watch them?**

RTHK's Reply:

- 11) (i) Being a live event channel, RTHK TV 32 will give priority to live coverage of Legislative Council meetings and events which members of the public are concerned, such as the flag-raising ceremonies and receptions in celebration of anniversary of the establishment of the Hong Kong Special Administrative Region and the National Day, the Chief Executive's Policy Address, Financial Secretary's Budget Speech, Honours and Awards Presentation Ceremony, ceremonies on important commemoration days, etc. In addition, RTHK TV 32 also broadcasts some live local sports events.

Since the broadcasting hours and broadcasting time of live events are difficult to control, RTHK would take into account the duration of intervals for broadcast of various miscellaneous contents between live events. Miscellaneous contents are selected on the basis of wide diversity so that they are more interesting to watch.

- (ii) RTHK is grateful for the suggestions of the Public Accounts Committee and will consider adjusting the contents to be broadcast on RTHK TV 32 by broadcasting more RTHK radio and website news, as well as the press releases of Information Services Department and other departments. RTHK will also explore devising a dual-display and dual-audio system for RTHK TV 32 that allows members of the public to choose to watch live contents.

Item 17(b)

- 12) Please further explain why integrating the seven applications into one will drastically increase server load and the risk in management.**

RTHK's Reply:

- 12) RTHK develops mobile applications with different contents and functions to address the needs and habits of users. As each mobile application releases a large quantity of multi-media contents, the capacity will be excessively large after integration of the seven mobile applications. For the users, integration of

the seven applications into one will affect the speed of installation and operation of the application concerned on mobile devices. In respect of server management, the integration will increase server load, raising the likelihood of abnormal response, low speed, and even ceased operation, etc.

Item 18(c)

- 13) Has RTHK noticed that the incorporation of the two additional requirements concerned would render only Service Provider A qualified? Has RTHK explored whether this practice would violate relevant guidelines on procurement of services? Please reply.**

RTHK's Reply:

- 13) Since the design of the questionnaires of TVAI surveys and the details involved were rather complicated, RTHK required the surveys to be conducted by a sizable and experienced survey agency. RTHK added those two mandatory requirements in order to ensure that the service provider engaged had sufficient relevant professional experience, and thus would be able to provide high quality survey data and reports. At that time, RTHK had not considered the impact of the additional requirements on the qualification of individual service provider. RTHK is currently exploring to adjust or remove the two mandatory requirements.

Item 19(e)

- 14) Please provide a copy of the “Producers’ Guidelines” issued in 1998 and explain what the policies of upholding editorial independence, as well as impartiality and fairness in reflecting opinions are. Has RTHK ever reviewed whether there were situations that some programmes would only be partial on one side and unilaterally emphasising on the reflection of its views?**

RTHK's Reply:

- 14) The RTHK "Producers' Guidelines" ("Guidelines") was issued in 1998 and updated in 2015. Please refer to **Annex** for the updated version. The Guidelines stipulates requirements to enhance the transparency and accountability of the operations of RTHK.

As for upholding editorial independence, according to the Charter of Radio Television Hong Kong (the Charter), as a public service broadcaster, RTHK is editorially independent, and will adhere to the following editorial principles:

- (a) be accurate and authoritative in the information that it disseminates;
- (b) be impartial in the views it reflects, and even-handed with all those who seek to express their views via the public service broadcasting platform;
- (c) be immune from commercial, political and/or other influences; and
- (d) uphold the highest professional standards of journalism.

The Guidelines sets out that the producers of RTHK have to bear editorial responsibility while enjoying editorial independence. RTHK operates with a long-standing editorial process. While staff of different levels make judgements according to their professional knowledge, the Director of Broadcasting is the Editor-in-chief of RTHK, who bears the ultimate responsibility of making all the editorial decisions in RTHK.

Regarding due impartiality, the Guidelines stipulates that the term "due" is to be interpreted as meaning adequate or appropriate to the nature of the subject and the type of programme. The standards that have to be followed by producers are listed in detail in paragraph 3.2 of the Guidelines.

According to the Charter, RTHK has established mechanism in handling complaints and opinions. Meanwhile, all programmes of RTHK are regulated by the relevant code of practice of the Communications Authority.

***Note by Clerk, PAC:** *Please refer to RTHK website for Annex.*

Item 20

- 15) Will RTHK further consider conducting study on the output hours and production costs of commercial TV broadcasters?**

RTHK's Reply:

- 15) According to past experience, the output hours and production costs of commercial TV broadcasters are regarded as commercially confidential. As such, RTHK may not be able to obtain the accurate information.

In order to enhance the cost effectiveness of the production of TV programmes, RTHK has implemented a series of measures, including setting up a virtual set studio to enhance production efficiency and reduce expenses of scene building, increasing the programme hours of acquired programmes and contracting out the production of some programmes for more flexible deployment of human resources, etc.

Follow-up question raised pursuant to Director of Broadcasting's reply on 8th January 2019

Item 21(i)

- 16) Please provide the ratings of school education TV programmes on commercial television and RTHK channels, and the situation of watching ETV programmes in school for the past three years.**

RTHK's Reply:

- 16) In the past three years, the ratings of school education TV programmes (ETV) on commercial television and RTHK channels ranged from 0 to 0.5. As mentioned by the Education Bureau (EDB) in its reply to Question 2, the mode of using video resources in the education sector has been changed. In recent years, there has been a downward trend in watching ETV programmes by teachers and students during lessons. As such, the ratings cannot effectively reflect the actual usage of ETV services.

EDB is responsible for the situation of watching ETV programmes in school and following up the issues. Please refer to EDB's reply to Question 2.

Follow-up question raised pursuant to Secretary for Education's reply on 8th January 2019

Item 4(a)

- 17) **Although it could not simply conclude that “the use of ETV service is dropping continuously” from the survey findings, it also could not prove that positive results have been yielded and students are using ETV resources over the Internet outside class. In fact, the hit rate data concerned is not difficult to collect. Will the Government allocate resources to review the relevant situation, so as to understand the cost-effectiveness of ETV service as soon as possible?**

RTHK's Reply:

- 17) EDB is responsible for the evaluation and surveys on the utilisation and effectiveness of ETV service as well as the follow-up actions.