

For information

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

**Licence Renewal of
the Domestic Pay Television Programme Service Licence of
Hong Kong Cable Television Limited**

Purpose

This paper informs Members of the responses of the Hong Kong Cable Television Limited (HKCTV) to public views on its domestic pay television programme service.

Background

2. At the meeting of the Legislative Council Panel on Information Technology and Broadcasting on 12 January 2004, Members were informed of the public views received by the Broadcasting Authority (BA) on the domestic pay television programme service provided by HKCTV through the survey conducted in mid-2003 and the public hearing held in November 2003. At the request of Panel Members, the Administration agreed to report to the Panel on HKCTV's responses to the public views on its service.

HKCTV's Responses to the Public Views

3. The report on the public hearing is available on the BA's website at www.hkba.org.hk/hkba. HKCTV's responses to the public views are enumerated at **Annex**.

The Way Forward

4. In formulating its recommendations on the renewal of HKCTV's licence, the BA will take into account community expectations of HKCTV's service, HKCTV's views on the licence conditions, parity in the licence conditions among all domestic pay television programme service licences and the Government's policy to improve business environment. According to the Broadcasting Ordinance (Cap. 562), the BA will submit its recommendations on the licence renewal to the Chief Executive in Council (CE in C) before 31 May 2004. A Legislative Council brief will be issued after the CE in C has made a decision.

**Communications and Technology Branch
Commerce, Industry and Technology Bureau
March 2004**

**HKCTV's responses to major issues raised by the public
in the public hearing and written submissions**

Issue	HKCTV's Response
<u>Programme and Channel Diversity</u>	
<p>1. HKCTV should provide more diversified programmes and channels including arts and culture, video-on-demand, Filipino and Indonesian programmes, feature films with educational and healthy themes, more CCTV channels, Indian channels and international news channels, etc.</p>	<p>HKCTV currently transmits over 70 programme channels in 8 genres, viz. local news and information (6 channels), international news (8 channels), sports (6 channels), movies (5 channels), documentaries (9 channels), entertainment (18 channels), adults (11 channels), and premium channels and premium packages (11 channels). The survey commissioned by the BA in mid-2003 showed that 78% of the respondents were satisfied with HKCTV's programme variety. HKCTV targets to transmit up to 120 programme channels by 2005 to further enhance its programme diversity.</p>
<p>2. HKCTV's acquisition of the exclusive broadcast right of certain international sports events deprives non-HKCTV subscribers of the right to watch these events on free-to-air TV.</p>	<p>Before the launch of HKCTV, viewers' access to sports programmes (live or otherwise) was very limited and there were few such sports programmes during evening primetime. HKCTV has addressed the gross deficiency by bringing to viewers a wide variety of live sports programming. Exclusive rights to broadcast sports</p>

Issue

HKCTV's Response

programmes are essential to ensure the competitiveness of operators who strive to provide high quality programmes (which are invariably acquired at a premium) for their viewers.

3. There are too many programmes related to sex, gambling and violence, too many feature films glorifying triad activities and too many acquired programmes.

HKCTV has been observing the requirements stipulated in the Generic Code of Practice on Television Programme Standards and has not breached the Code over the last 18 months.

News Programmes

4. There should be more in-depth news reports.

HKCTV's News 1 Channel has been providing in-depth reports on topical issues such as the financial and property markets (average 23.5 hours/week), community matters (average 20 hours/week), cultural programmes and programmes for minority groups (average 4 hours/week), programmes on creative industries (average 5 hours/week), and in-depth analysis of current affairs (average 11.5 hours/week).

5. The teloping of news headlines is not satisfactory, in particular in the use of punctuation.

HKCTV will review and improve the presentation and accuracy of the teloping.

Subtitling

Issue

HKCTV's Response

6. HKCTV should provide Chinese subtitles for the benefit of the hearing-impaired.

While many of HKCTV's programmes carry subtitles, the demand for full subtitling at the public hearing target mainly the News 2 Channel. HKCTV understands the concern and is exploring possibilities to address such concern.

At present, News 2 Channel displays various information of general interest to viewers, such as weather and time through superimposition and major news headlines through teloping. HKCTV considers that subtitling on the same screen would affect viewing pleasure as the screen would be cluttered by various messages. The option of not teloping news headlines has been considered. However, to do so may deprive the viewers of the opportunity to have a quick grasp of major news headlines when they switch on the channel.

In the light of the above consideration, HKCTV is now exploring the possibility of a text channel showing news and information of public interest in text form for the benefit of the hearing-impaired.

Descriptive Audio Information

7. HKCTV should provide

The provision of audio

Issue

descriptive audio information for programmes for the benefit of the visually-impaired.

HKCTV's Response

description for television programme is still at an early stage of development. Overseas experience shows that there is a wide range of technical and logistic issues associated with the provision of audio description. They include shortage of trained staff, the cost of developing appropriate equipment and the availability of receiving equipment at affordable prices. HKCTV will keep in view overseas development before exploring the issue further.

Government Channels

8. The three Government channels should be used as public access channels for the benefit of the ethnic minorities and the under-privileged.

The use of the three channels is at the discretion of the Government under the current licence. HKCTV has requested in its application for licence renewal to remove the relevant licence condition on the grounds of parity treatment for all pay TV licensees in a fully liberalized TV market.

Coverage of HKCTV's Network

9. HKCTV is not providing service to all parts of Hong Kong, in particular remote areas.

HKCTV's network has passed over 2 million premises, exceeding the licence requirement of 1.770 million premises. HKCTV has embarked on plans to extend its coverage to remote areas where there is sufficient business demand.

Issue

HKCTV's Response

10. With the advent of digital technology, HKCTV should speed up its process to expand its network coverage.

The migration process for the whole territory takes time to complete as it is carried out building-by-building and dependent on the delivery of set top boxes. On its own initiative, HKCTV has advanced the target completion date from May 2005 as agreed with the Government to the 3rd quarter of 2004.

Subscription and Installation Fees and Technical Matters

11. The installation fee is too high.

The fees of HKCTV are set on the basis of costs and market demand.

12. HKCTV should provide concessions to elderly people.

HKCTV has been providing special concessionary rates to elderly homes, hospitals and educational institutions.

13. The subscription fee is discriminatory against long-term subscribers.

HKCTV has been providing loyalty privileges to long-term subscribers.

14. Not all subscribers are provided with digital decoders which receive more channels than analogue decoders.

Same as item 10 above.

Customer Services

15. The manner and service of some HKCTV's marketing staff

HKCTV's marketing staff and technicians are intensively

Issue

and technicians are poor.

HKCTV's Response

trained prior to active duties and are required to observe a code of conduct. Their performance is constantly monitored and disciplinary actions will be taken against those who have breached the Code.