

Follow-up Items Arising from LegCo ITB Panel Meeting of 19 April 2004

- (a) The reasons for reducing the proposed net operational floor area for the proposed Broadcasting House and the corresponding estimated cost after the reduction.**

RTHK is responsible for estimating the net operational floor area (NOFA) for the proposed new Broadcasting House in consultation with the Government Property Agent (GPA).

2. In the Preliminary Project Feasibility Study for the project prepared in 2000, it was estimated that the NOFA for the proposed building was 26,500 m² on the basis of an initial accommodation requirement as assessed by RTHK. In early 2003, with the assistance of GPA in the preparation of schedule of accommodation, RTHK refined their accommodation requirement to an NOFA of about 18,300 m², taking into account its future manpower and corporate development plan.

3. The estimated cost for the re-provisioning project based on an NOFA of 26,500 m² is \$1.3 billion and that for an NOFA of 18,300 m² is in the region of \$1.1 billion. As pointed out in the LegCo ITB Panel Paper CB(1)1507/03-04(03) submitted by the Administration, the NOFA and estimated cost of the project will be further refined and revised according to the actual project scope, the project implementation details and construction price levels at the time when the Administration takes the project forward.

(b) The licence fee received by RTHK in licensing its content by programm category per hour.

RTHK is a government department providing high quality multi-media programmes to inform, educate and entertain the public free of charge. Licensing RTHK's content to generate additional revenue for the Government is secondary to its primary objective of providing free broadcasting service. The revenue generated from content licensing should be examined in the aforesaid context.

2. Moreover, the effectiveness of RTHK's television output should not be judged on the revenue generated from content licensing alone. The scope of programmes in RTHK's archive that can be commercialized is limited because time-sensitive public affairs and topical programmes have very limited commercial value. The licensing fee of RTHK's television programmes is set with regard to international television programme market price ranges. The licence fee charged for a particular television programme depends on its scale of the production, market value, popularity in terms of viewership, geographical coverage of the broadcast rights and whether it received any commendation and awards.

3. For the financial year of 2003-04, the total revenue generated from the licensing of 663 hours of programmes is HK\$3,679,005. The average licence fee per programme hour is about HK\$5,500. The ranges of licence fee per programme hour by category are appended below:

Category	Fee Range
Drama	\$5,500 to \$16,000
Documentary	\$4,100 to \$16,000
Special Programmes (any programmes other than drama and documentary, such as variety shows, concerts, award presentation, etc.)	\$5,000 to \$23,000