

Public Consultation Exercise on the Renewal of the Analogue Sound Broadcasting Licences of

Hong Kong Commercial Broadcasting Company Limited
and Metro Broadcast Corporation Limited

15 SEP-14 NOV 2014



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通訊事務管理局
COMMUNICATIONS
AUTHORITY

● Consultation Period ●

15 September – 14 November 2014

● Please give your views in writing ●

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● The Public Hearings ●

The First Public Hearing

Venue: Leighton Hill Community Hall

133 Wong Nai Chung Road, Happy Valley, Hong Kong

Date: 9 October 2014 (Thursday)

Time: 7:00p.m. - 9:00p.m.

The Second Public Hearing

Venue: Mei Foo Community Hall

1/F, Mei Foo Government Complex, 33 Mei Lai Road,

Sham Shui Po, Kowloon

Date: 30 October 2014 (Thursday)

Time: 7:00p.m. - 9:00p.m.

Please call **2961 6335** or visit the Communications Authority's website at **www.coms-auth.hk** for reservation. Reservation for public hearings starts from 15 September 2014 for the first public hearing, and 10 October 2014 for the second public hearing. The public hearings will be conducted in Cantonese. English interpretation and sign language services may be provided upon request by participants when making reservation.

● Background ●

In July 2003, the Chief Executive in Council (CE in Council) approved the renewal of the analogue sound broadcasting licences of Hong Kong Commercial Broadcasting Company Limited (CRHK) and Metro Broadcast Corporation Limited (Metro) for 12 years from 26 August 2004 to 25 August 2016. The Communications Authority (CA), the statutory body that regulates broadcasters in Hong Kong, shall process the applications of CRHK and Metro for licence renewal, and under the Telecommunications Ordinance (Cap.106) (TO), shall submit its recommendations to the CE in Council. The CA will carry out a comprehensive assessment of the performance of CRHK and Metro since 26 August 2004, with a view to making recommendations to the CE in Council on the licence renewal.

● Purpose ●

The purpose of the public consultation exercise is to obtain comments and opinions from members of the public on the performance of CRHK and Metro. The CA will gauge public views on the analogue sound broadcasting services of CRHK and Metro through various means, including conducting public hearings and a territory-wide opinion survey, and inviting written submissions from members of the public. The CA will take into account the public views received in making recommendations to the CE in Council on the licence renewal.

● The Public Hearings ●

Basic rules to be observed

- The Chairman will decide on the order of speakers.
- In order to accommodate as many speakers as possible, each will have not more than 3 minutes to express their views.
- The public hearings are not intended to be question-and-answer sessions for the CA or the licensees. They are intended to obtain comments and opinions from members of the public on the performance of the licensees. The opinions expressed at the public hearings will be collated into a report for publication.
- Participants should respect the right of others to express their views at the public hearings and should not disturb or interrupt the conduct of the public hearings by whatever means, including holding up/waving placards or banners.

Programme rundown

6:45p.m.	Admission for members of the public
7:00p.m.	Welcoming remarks by the Chairman of the CA
7:10p.m.	Presentation by CRHK
7:25p.m.	Presentation by Metro
7:40p.m.	Comments from the floor
9:00p.m.	End of public hearing



● Written Submissions ●

Members of the public may also submit their opinions on the performance of CRHK and Metro in writing to the CA Secretariat by post, by fax or by email (please refer to page 1 for details). Views received will normally not be treated as confidential. The CA may publish the submissions received in whole or in part (unless otherwise specified) without seeking the permission of or providing acknowledgement to the party making the submission.

● Topics to be Raised ●

Views will be sought on the performance of CRHK and Metro and the analogue sound broadcasting services they offered in the past. To assist members of the public to express their opinions on the licensees' services, a summary of the licensees' services, the complaint records, the licensees' investment plans and the current regulatory requirements are set out in this brochure for information.

● The Licensed Services of CRHK and Metro ●

Channels of CRHK and Metro

CRHK and Metro each operates two Cantonese FM channels and one English AM channel in analogue format. The Cantonese channels are CR1¹ and CR2² of CRHK; and Metro Info³ and Metro Finance⁴ of Metro. The English channels are AM864⁵ of CRHK and Metro Plus⁶ of Metro.

Broadcast Hours

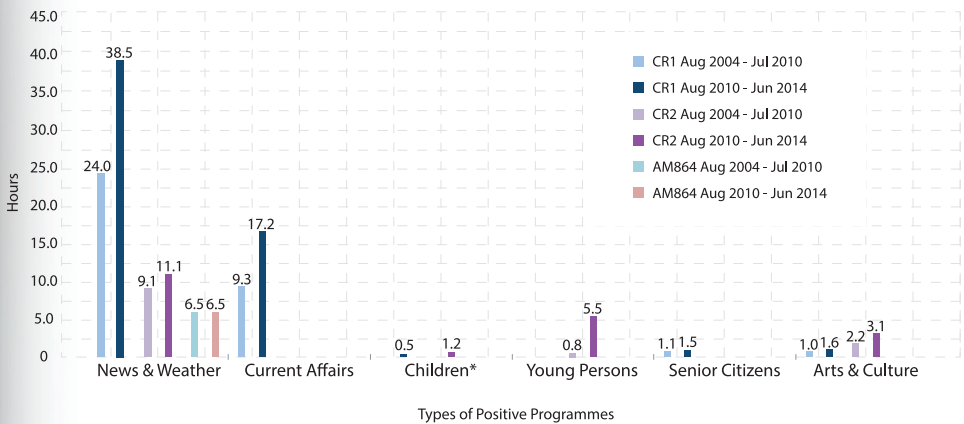
During the period from August 2004 to June 2014, the six channels of CRHK and Metro provided a total of 517,820 broadcast hours. All channels were broadcast round-the-clock.

1. CR1 is an information channel targeting mature audience, providing news, current affairs, financial and personal view programmes.
2. CR2 is mainly an entertainment channel featuring pop culture and music targeting young listeners.
3. Metro Info provides music and entertainment programmes as well as programmes on lifestyle, health, education, family and parenting, market news and other information of interest to the public.
4. Metro Finance provides real-time, market-moving news and information about financial markets around the world.
5. AM864 provides music programmes, hourly news reports and programmes for ethnic minorities like Filipinos in Hong Kong.
6. Metro Plus is a music channel which also provides programmes for ethnic groups including the Filipino, Indian and Indonesian communities in Hong Kong.

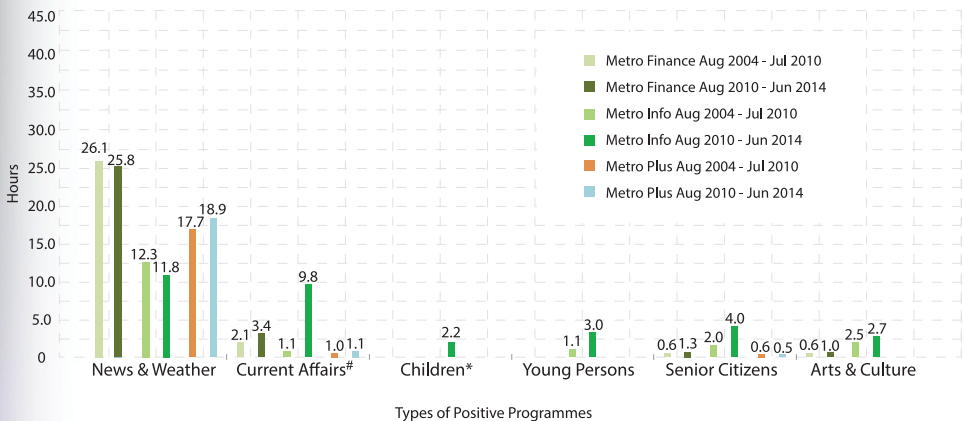
Positive Programmes

CRHK and Metro are each required to broadcast at least 28.5 hours of positive programmes⁷ per week. During the period from August 2004 to June 2014, the weekly average broadcast hours of positive programmes provided by CRHK and Metro are shown in the following charts –

Weekly Average Broadcast Hours of Positive Programmes on CRHK



Weekly Average Broadcast Hours of Positive Programmes on Metro



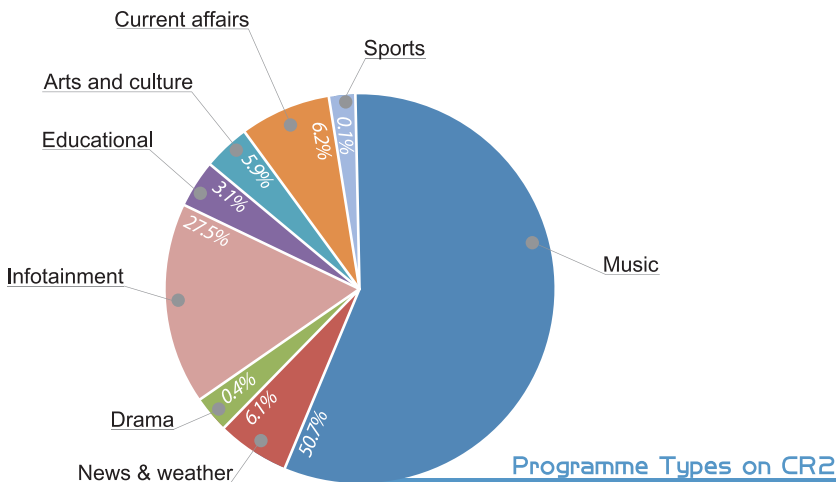
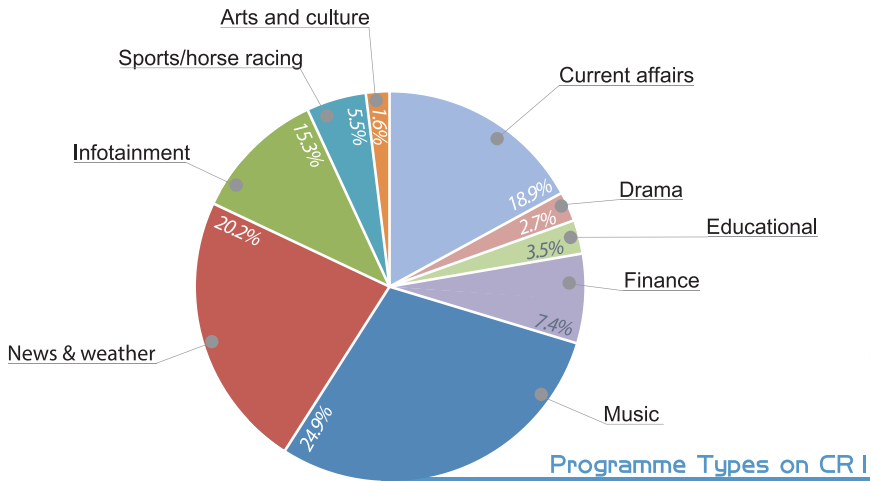
7. The licensees are required under their licences to broadcast news and weather programmes, current affairs programmes, arts and culture programmes and advisory programmes, viz. programmes for young persons, senior citizens and children.

* The licensees are required to broadcast children's programmes under their licences since 2011.

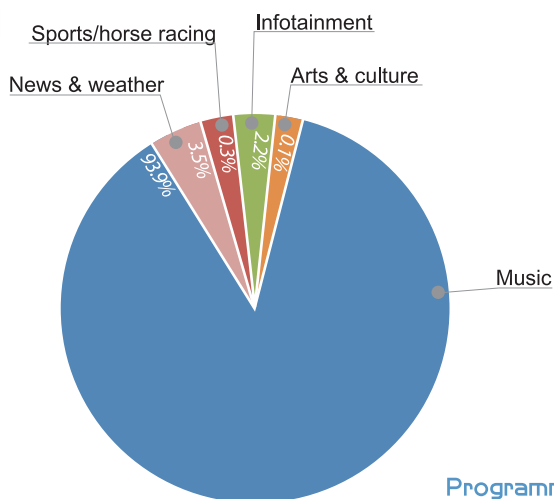
During the mid-term review in 2011, Metro voluntarily committed to increase the broadcast of current affairs programmes to 10 hours per week.

Programme Types

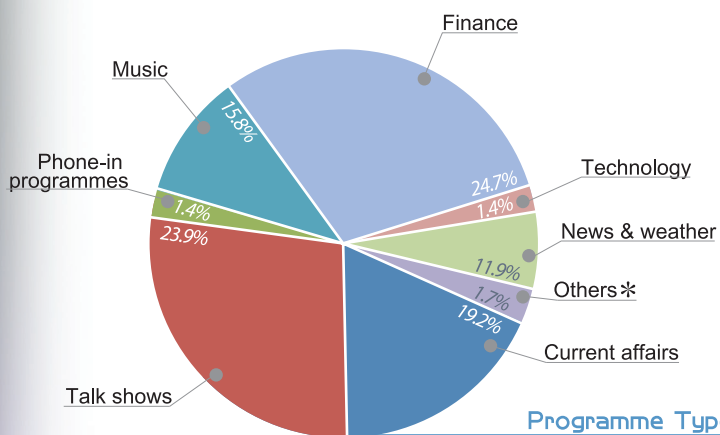
The weekly broadcast hours of different genres of programmes provided by CRHK and Metro during the period from August 2010 to June 2014 are shown in the following charts⁸ –



8. Taken from 47 sample weeks during August 2010 to June 2014.

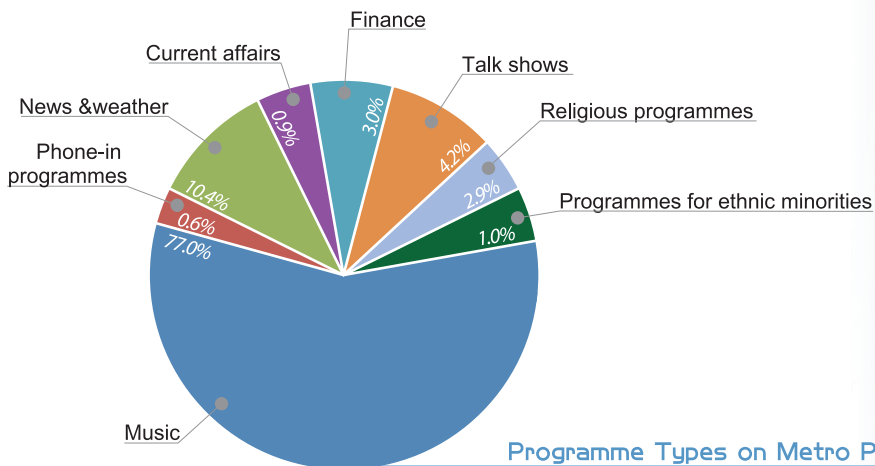
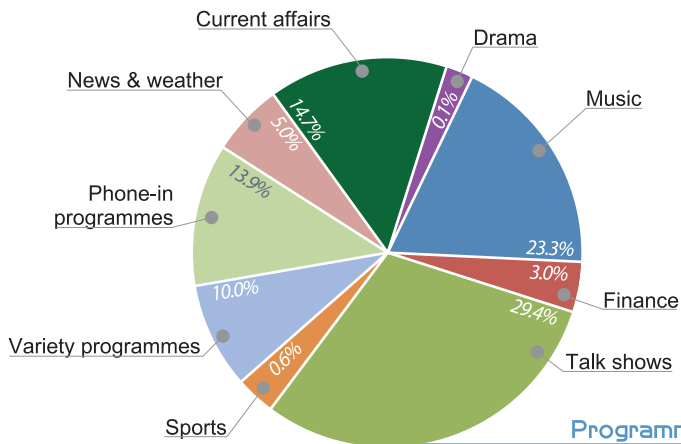


Programme Types on AM864



Programme Types on Metro Finance

* Others include Variety Programmes (0.7%), Sports (0.7%) and Religious Programmes (0.3%).



● Complaint Records ●

Complaints about Programme Materials

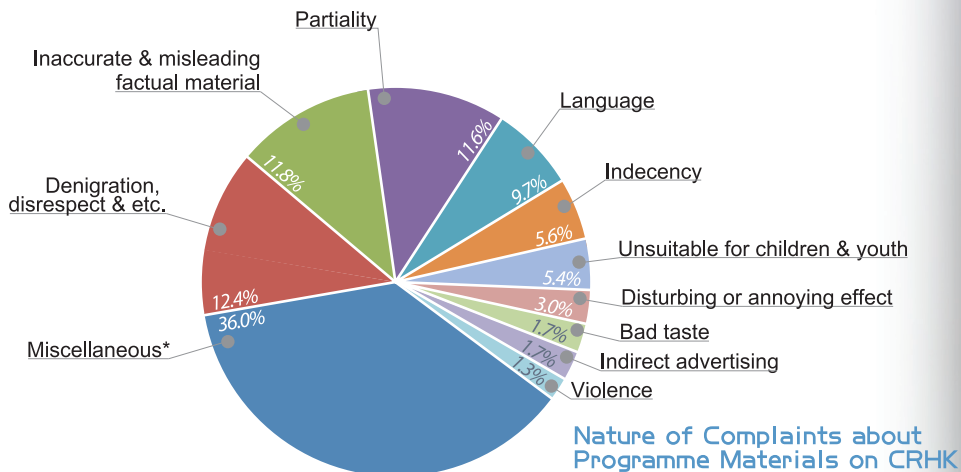
Details of the complaints relating to programme materials received by the former Broadcasting Authority (BA) and the CA⁹ (collectively referred to as “the Authority” below) during the period from August 2004 to June 2014 are highlighted below -

Complaints on	Number of Complaints	Number of Cases
CRHK	5,810	1,226
Metro	422	249
CRHK & Metro	13	12

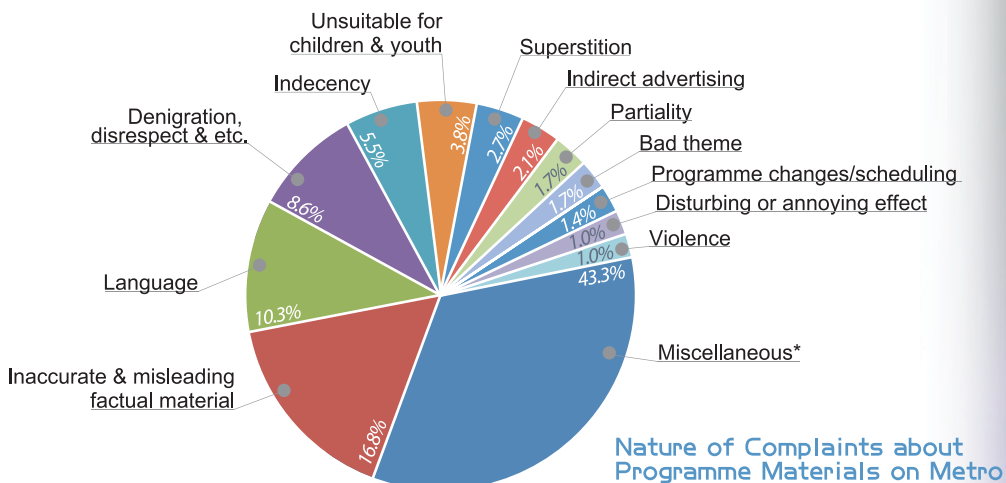
The three cases attracted most complaints over the period are: “On a Clear Day” (在晴朗的一天出發) (2,255 complaints) broadcast on CR1 in April 2013, “Night Rider 18” (十八仝人愛落區) (901 complaints) broadcast on CR1 and CR2 in May 2010 and “The Tipping Point” (左右大局) (300 complaints) broadcast on CR1 in November 2011. The Authority found the first two cases substantiated and the third unsubstantiated.

9. The CA was established on 1 April 2012 as the unified regulator for both broadcasting and telecommunications sectors by taking over the functions of the former BA and the Telecommunications Authority.

Detailed breakdowns of the complaints about programme materials by nature are as follows –



* Miscellaneous include bad theme, concurrent broadcast, drunkenness & smoking, horror, no programme choice, prime time/inappropriate broadcast time, programme changes/scheduling, sex, superstition, triad theme and others.



* Miscellaneous include adult nature material, bad taste, editing and technical faults, horror, prime time/inappropriate broadcast time, service/products unacceptable to be advertised and others.

Sanctions for Breaches relating to Programme Materials

Of the 6,245 complaints (involving 1,487 cases) about programme materials received during the period from August 2004 to June 2014, the Authority considered 3,920 complaints, found 3,602 of them substantiated and imposed 27 sanctions on the two licensees. 2,325 complaints were classified as unsubstantiated, outside the remit of the Authority or minor breaches by the former Commissioner for Television and Entertainment Licensing (CTEL)/Director-General of Communications (DG Com)¹⁰ under delegated authority.

A breakdown of the sanctions is set out in the following charts –

22 Sanctions Imposed by the Authority on CRHK



* Financial penalties of \$140,000 and \$30,000 were imposed on CRHK for the complaint cases of “So Fab” (架勢堂) and “Night Rider 18” (十八仝人愛落區) respectively. For the case of “So Fab”, the Authority also directed CRHK to broadcast an apology in view of the seriousness of and the public concern on the case.

10. The Office of the Communications Authority (OFCA) headed by the DG Com has been set up since 1 April 2012 to serve as the executive arm of the CA.

5 Sanctions Imposed by the Authority on Metro



* A financial penalty of \$80,000 was imposed on Metro for its failure to broadcast half-hourly news and announcements in the public interest on the English channel.

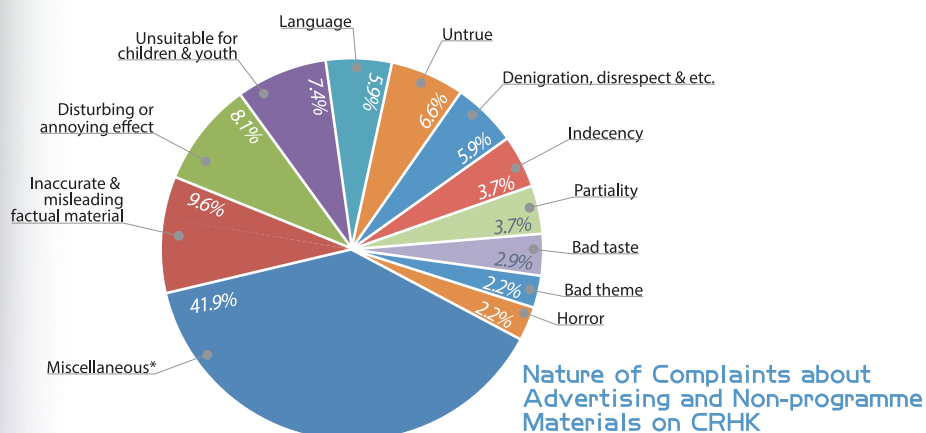
Complaints about Advertising and Non-programme Materials

Details of the complaints relating to advertising and non-programme materials received by the Authority during the period from August 2004 to June 2014 are highlighted below –

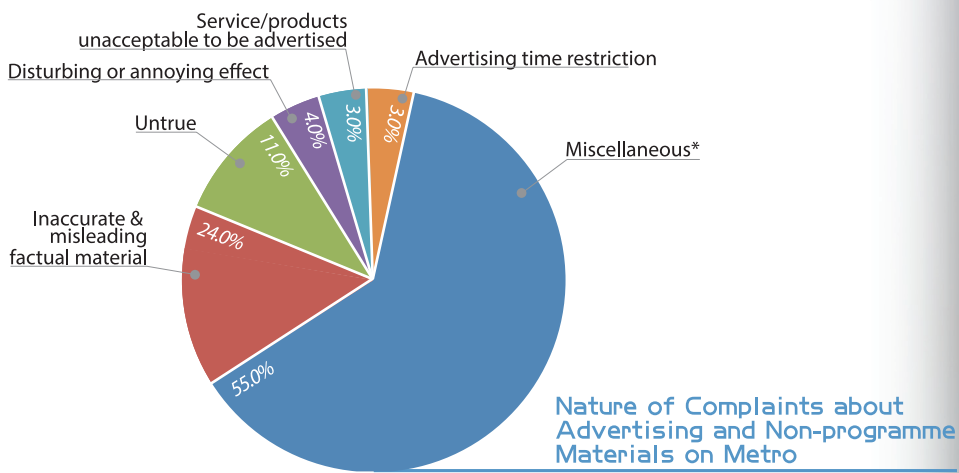
Complaints on	Number of Complaints	Number of Cases
CRHK	473	116
Metro	77	69
CRHK & Metro	2	2

Most of the complaints about advertising and non-programme materials were related to inaccurate and misleading factual material, untruthful claims, disturbing or annoying effect and material unsuitable for children.

Detailed breakdowns of the complaints about advertising and non-programme materials by nature are as follows –



* Miscellaneous include advertising time restriction, editing and technical faults, indirect advertising, service/products unacceptable to be advertised, sex, superstition and others.



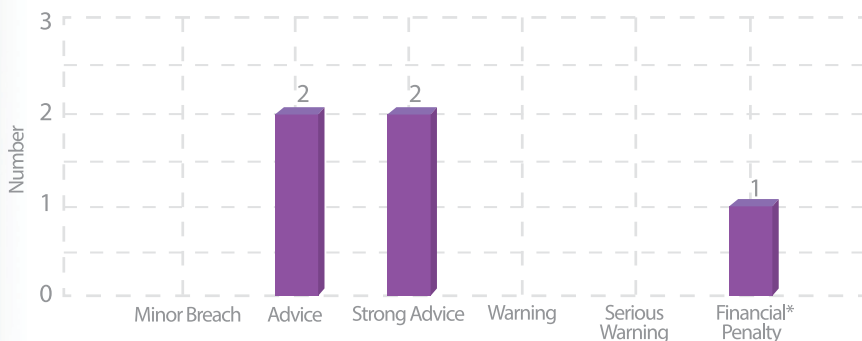
* Miscellaneous include bad taste, denigration and disrespect, editing and technical faults, horror and others.

Sanctions for Breaches relating to Advertising and Non-programme Materials

Of the 552 complaints (involving 187 cases) about advertising and non-programme materials received during the period from August 2004 to June 2014, the Authority considered 330 complaints, found 328 of them substantiated and imposed 8 sanctions on the two licensees. 222 were classified by the former CTCL/DG Com as unsubstantiated, outside remit of the Authority or minor breaches under delegated authority.

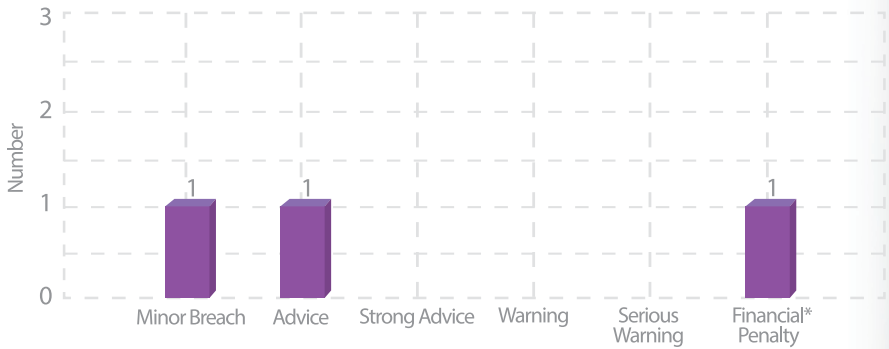
A breakdown of the sanctions is set out in the following charts –

5 Sanctions Imposed by the Authority on CRHK



* A financial penalty of \$30,000 was imposed on CRHK for the broadcast of the advertisement for “March for Universal Suffrage” (普選大遊行).

3 Sanctions Imposed by the Authority on Metro



* A financial penalty of \$80,000 was imposed on Metro for its failure to broadcast announcements in the public interest and half-hourly news on its English channel.



Breaches of Statutory and Licensing Requirements

During the period from August 2004 to June 2014, the Authority imposed 1 sanction on CRHK and 1 sanction on Metro, for their non-compliance with the relevant statutory and licensing requirements. A warning was issued to CRHK for its failure to comply with the Six-Year Investment Plan for 2004 to 2010, and a financial penalty of \$100,000 was imposed on Metro for its failure to comply with the requirements on the designated language of broadcast and the broadcast of announcements in the public interest on its English channel.

● CRHK and Metro' s Submissions on Investment Plans ●

CRHK and Metro have respectively made investment commitments for the periods from 2004 to 2010 and from 2010 to 2016 as follows –

	CRHK	Metro
2004 - 2010		
Programming investment	\$1,072 million	\$554.7 million
Capital investment	\$18 million	\$12 million
Total	\$1,090 million	\$566.7 million
2010 - 2016		
Programming investment	\$806 million	\$641 million
Capital investment	\$21 million	\$36 million
Total	\$827 million	\$677 million

The proposed investments for the period from 2016 to 2022 made by CRHK and Metro are as follows –

	CRHK	Metro
2016 - 2022		
Programming investment	\$884 million	\$663 million
Capital investment	\$25 million	\$22 million
Total	\$909 million	\$685 million

CRHK has explained that its programming and capital investment commitments for 2016 to 2022 reflect approximately a 10% increase over the corresponding amounts spent in 2010 to 2016.

Metro has explained that in order to keep up with technological changes and better serving the public, Metro focused on digitalisation and replaced all the consoles for FM studios and broadcasting facilities during the period from 2010 to 2016. In the coming years, Metro will continue the investment for modest expansion and upgrading of the infrastructure to cope with future requirements.

● Highlights of Existing Regulatory Requirements ●

Programming Requirements

Language of Broadcast

1. 80% of the broadcast time of one channel shall be in Cantonese, and 80% of another channel shall be in English. There is no language requirement for the third channel.

Broadcast of Specified Types of Programmes

2. The licensees shall broadcast—
 - (a) on any one channel, a minimum of two comprehensive news bulletins of not less than 10 minutes each between 12:00 noon and 12:00 midnight, half-hourly news and weather reports between 6:00 a.m. and 12:00 midnight, and hourly news and weather reports for the remaining hours of broadcasting unless to do so would cause unreasonable interruption of its broadcast programmes; and
 - (b) on the remaining channels, hourly news and weather reports throughout the day.
3. The licensees shall broadcast a minimum of 90 minutes of current affairs programmes in its services each week between 8:00 a.m. and 12:00 midnight.
4. The licensees shall broadcast on the Chinese language service a minimum of one half-hour programme each week between 8:00 a.m. and 12:00 midnight which is intended and suitable for the education and proper development of young persons (aged 16 to 24) in Hong Kong.
5. The licensees shall broadcast on one or two of its services, one of which must be the Chinese language service, a minimum of 90 minutes of programme each week between 8:00 a.m. and 12:00 midnight which is intended and suitable for the particular requirements of senior citizens (over the age of 60) in Hong Kong.
6. The licensees shall broadcast on one or two of its services, one of which must be the Chinese language service, a minimum of 30 minutes of programmes each week between 9:00 a.m. and 10:00 p.m. with educational values intended and suitable for children (up to and including the age of 15) in Hong Kong.
7. The licensees shall broadcast on each of any two of its services, one of which must be the Chinese language service, a minimum of 45 minutes of arts and culture programmes each week between 8:00 am and 12:00 midnight.

General Programming Standards

8. The licensees should ensure that their programmes are handled in a responsible manner and that they should avoid needlessly offending audience by what they broadcast. The licensees should not include in their programmes any material which is indecent, obscene, of bad taste or denigrating.

9. Any programme containing material which is likely to offend or disturb some people should carry a warning to that effect at the beginning of the programme.

Responsibility toward Children and Young People

10. The licensees should not schedule programmes targeting adult listeners at times when they normally broadcast programmes targeting children or young persons. The standards relating to language, violence and sex should be strictly observed in programmes which might reasonably be expected to hold the attention of children and young people.

Accuracy and Impartiality

11. News should be presented with accuracy and due impartiality. Correction of factual error should be made as soon as practicable after the original error, or at the end of the current programme or the beginning of a subsequent programme.
12. The licensees must ensure that due impartiality is preserved as respects news programmes and any factual programmes or segments thereof dealing with matters of public policy or controversial issues of public importance in Hong Kong (except personal view programmes).

Fairness

13. The licensees have a responsibility to avoid unfairness to individuals or organisations featured in factual programmes, in particular through the use of inaccurate information or distortion.

Personal View Programmes


14. "Personal view programmes" are programmes in which the licensees and/or the programme hosts and/or, sometimes, individual contributors put forward their own views. The nature of a personal view programme must be identified clearly at the start of the programme.
15. Facts must be respected and the opinion expressed, however partial, should not rest upon false evidence.
16. A suitable opportunity for response to the programme should be provided. Licensees should be mindful of the need for a sufficiently broad range of views to be expressed in any series of personal view programmes.

Gambling

17. No programme should be presented in a manner which encourages or offers instructions in gambling.

Crime

18. Criminal activities, when depicted, must be consistent with and reasonably related to plot and character development.

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19. Crime should not be portrayed in a favourable light.
 20. The presentation of criminal techniques in such a way as to be instructional or to invite imitation should also be avoided.
 21. Depictions containing detailed instructions for, or illustrations of, the use of illegal drugs, harmful devices or weapons are not permitted.
 22. Depictions of triad ceremonies, rituals, hand signs, etc., and triad expressions not generally accepted in daily language should be avoided.
 23. Glorification of criminals, the power of triads and membership in a triad society should be avoided.

Use of Language

24. Expressions considered vulgar by an average person are to be avoided. Expressions that are definitely offensive are prohibited from use on radio.

Violence and Sex

25. Programmes should present such objects as violence and sex without undue emphasis and only as required by plot development or character delineation. Violence, physical or psychological, should only be projected in responsibly handled contexts and not be used in excess or in an exploitative manner. The depictions of material reflective of sexual considerations should be handled with sensitivity.

Indirect Advertising

26. No undue prominence may be given in any programme to a product, service, trademark, brand name or logo of a commercial nature or a person identified with the above so that the effect of such reference amounts to advertising. References to a sponsor and exposure of its product(s)/service(s) within programmes are subject to paragraphs 4 and 5 of the advertising requirements below.

Advertising Requirements

Advertising Time

1. The licensees shall not broadcast on any day advertising material which exceeds in total 12% of the time which broadcasting takes place on that day.

Broadcast of Announcements in the Public Interest and CA Publicity Material

2. The licensees shall broadcast such announcements in the public interest as required by the CA provided that such announcements shall not exceed 1 minute in a clock hour on each service. CA publicity material may be broadcast twice daily during the period between 6:00 p.m. and 11:00 p.m. for not more than 1 minute on each service up to a maximum limit of 5 minutes each week.

Restrictions on Advertising Materials

3. Advertising should be legal, decent, honest and truthful, advertisements must be clearly distinguishable as such and be recognisably separate from the programmes, and advertisements must comply with the laws of Hong Kong.
4. A sponsored programme must be clearly identified as such.
5. Mention of a sponsor related product in sponsored programmes or programme segments may be permitted provided it does not occur frequently and does not obtrude on programme interest or entertainment.
6. No bona fide news programmes comprising local or international news item may be sponsored.
7. All factual claims and best selling claims should be capable of substantiation.
8. Advertisements for the following products or services (including but without limitation to) are not acceptable :
 - (a) tobacco products;
 - (b) fortune tellers and the like;
 - (c) undertaker or others associated with death or burial (except advertisements for columbaria);
 - (d) unlicensed employment services, registries or bureaux;
 - (e) night clubs, dance halls, massage parlours, sauna houses, bath houses or similar establishments in which hosts/hostesses are employed for the primary purpose of attracting or entertaining customers or in which floor shows or other live performance or activities involving sexual behaviour are presented;

- (f) escort and dating services targeting young persons under 18;
 - (g) pay per call information services which offer adult material of a sexual nature;
 - (h) organisations/companies/persons which advertise for the purpose of giving betting tips;
 - (i) betting (including betting pools) except advertisements for lotteries, football and horse race betting which are authorised by or under the Betting Duty Ordinance (Cap. 108) and related publications and pre-recorded information services;
 - (j) medical preparations listed in Part I of the Schedule to the Poisons List Regulation (Cap.138B) and Schedule 1 to the Antibiotics Regulations (Cap.137A);
 - (k) smoking cessation (excluding nicotine replacement therapy);
 - (l) prevention or treatment for any disease of hair or scalp (excluding prevention or treatment of dandruff by means of external applications);
 - (m) pregnancy testing services;
 - (n) clinical laboratory testing services;
 - (o) relief or cure of alcoholism and drug addiction;
 - (p) cosmetic surgery and slimming or weight reducing measures involving the use of medial preparations; and
 - (q) procurement of miscarriage or abortion.
9. Indirect advertising of the unacceptable product or service is unacceptable.
10. Liquor advertising should not be broadcast between 4:00 p.m. and 8:30 p.m. Such advertisements should not be shown in proximity to children's programmes or programmes targeting young persons under the age of 18.
11. Advertisement for a medical preparation or treatment should not contain any reference to a prize competition or promotional scheme involving gifts, premium offers and samples.
12. Products of a personal nature, such as female sanitary products and condoms, etc., should be presented with care and sensitivity.
13. No advertisement of a political nature shall be broadcast except with the prior approval of the CA.

