

**Public Consultation Exercise
for the Renewal of the Domestic Free
Television Programme Service Licences**

**Summary of the Public Views on
Asia Television Limited**

**Communications Authority
April 2015**

CONTENT

| | |
|--|----------|
| Chapter 1: Introduction | 1 |
| Chapter 2: The Public Views Collected | 3 |
| Part 1: | 3 |
| Quantitative analysis of data of the public opinion survey | |
| Part 2: | 10 |
| Comments collected from public hearings and focus group discussions and written submissions by individuals and organisations | |



Chapter 1. Introduction

The existing domestic free television programme service (“free TV”) licence of Asia Television Limited (“ATV”) runs from 1 December 2003 to 30 November 2015. ATV submitted an application for renewal of its free TV licence on 29 November 2013. The Communications Authority (“CA”) processed the application in accordance with the Broadcasting Ordinance (Cap. 562) (“BO”) and established practices, and submitted its recommendations to the Chief Executive in Council (“CE in C”) on 4 November 2014.

2. Pursuant to the requirement under section 11(4) of the BO, the CA conducted a two-month public consultation exercise between 4 February 2014 and 3 April 2014 to gauge public views on the performance of ATV and of the other free TV licensee in connection with their respective licence renewal applications. During the public consultation exercise, public views were collected through three public hearing sessions and four focus group discussions. A total of 7,078 written submissions (including 372 late written submissions) were received from members of the public. The CA also commissioned an independent survey firm to conduct a territory-wide opinion survey to collect public views on the free TV service of the two licensees. The CA has given careful consideration to the public views collected in making recommendations to the CE in C on the licence renewal application of ATV.

3. This summary mainly sets out the public views received in respect of ATV which is relevant to the objective of assessing ATV’s licence renewal application. During the public consultation exercise, the CA also received views relating to the other free TV licensee. These views, together with the full report of the opinion survey, summaries of views of the public hearings and focus group discussions, and written submissions, will be made public after the CE in C has announced its decision on the licence renewal application of the other free TV licensee.

4. We would like to take this opportunity to thank all the individuals, groups and organisations who have expressed their views during the public consultation exercise.

The Communications Authority
April 2015

Chapter 2. The Public Views Collected

Part 1: Quantitative Analysis of Data of the Public Opinion Survey

1. Objectives, Scope and Research Method

1.1 Following the established practices, the CA commissioned an independent survey company to conduct a territory-wide opinion survey (“Survey”) to collect the public views on free TV services in Hong Kong, including standard, quality and diversity of programmes.

1.2 Public views were collected by interviews with households using a random sampling methodology. The fieldwork was conducted by the survey company between 30 November 2013 and 28 May 2014. A total of 3,063 respondents aged 15 or above were successfully interviewed, achieving an overall response rate of 59.8%. Where appropriate and available, the findings of the Survey are compared with those of the previous surveys conducted in 2007 and 2009.

2. Major Survey Findings

Major findings of the Survey, particularly those concerning the free TV service of ATV, are summarised below.

2.1 Viewing Habits of Free TV

- Viewers normally watched free TV from 6:00 pm to 11:59 pm. The average time spent on watching free TV per day was 2.7 hours, as compared to 3.2 hours in 2009 and 3.0 hours in 2007.

- Amongst the existing six free TV channels of ATV, ATV Home was more frequently watched by viewers (3.4%), followed by ATV Asia (0.7%), CCTV Channel 1 (0.6%), ATV Classic (0.5%), ATV World (0.4%) and Shenzhen Satellite TV (0.3%).

2.2 Purpose of Watching Free TV

- Viewers watched free TV mainly for “obtaining information such as news, weather, financial and traffic reports” (59.3%) and “seeking entertainment” (47.6%).

2.3 Programme Quality

- 48.1% of viewers were dissatisfied with the programme quality of ATV, while 22.6% were satisfied. 15.5% found it average and 13.9% had no comment. (Comparison of the relevant figure could not be made as the question was not raised in the previous surveys.)

2.4 Programme Variety

- 54.8% of viewers considered that the level of programme variety of free TV services was satisfactory (versus 54.7% for analogue or simulcast digital channels¹ and 55.0% for other digital channels²

¹ Analogue channels referred to the four existing analogue channels (i.e. TVB Jade, TVB Pearl, ATV Home and ATV World). Simulcast digital channels referred to the digital simulcast of the four existing analogue channels.

in 2009 and 56.2% in 2007), and 18.5% found it average (versus 30.6% for analogue or simulcast digital channels and 29.3% for other digital channels in 2009 and 34.1% in 2007). 22.3% expressed dissatisfaction on the programme variety of free TV services (versus 11.8% for analogue or simulcast digital channels and 9.1% for other digital channels in 2009 and 6.6% in 2007). 4.4% had no comment (versus 3.0% for analogue or simulcast digital channels and 6.5% for other digital channels in 2009 and 3.1% in 2007).

- Viewers considered the following types of programmes of free TV services insufficient –
 - (a) science, nature and wildlife programmes (28.3%, versus 41.8% for analogue or simulcast digital channels and 36.3% for other digital channels in 2009);
 - (b) documentaries (24.7%, versus 38.7% for analogue or simulcast digital channels and 32.6% for other digital channels in 2009);
 - (c) education programmes (20.9%, versus 36.1% for analogue or simulcast digital channels and 32.7% for other digital channels in 2009);

² Other digital channels referred to the other digital programming channels including TVB HD Jade, TVB J2, TVB iNews, ATV Asia, ATV Classic, CCTV Channel 1 and Shenzhen Satellite TV.

- (d) travelogues/ magazine programmes/ talk shows/ food programmes (19.3%, versus 13.2% for analogue or simulcast digital channels and 14.6% for other digital channels in 2009);
- (e) films (18.6%, versus 27.6% for analogue or simulcast digital channels and 32.2% for other digital channels in 2009);
- (f) sports programmes (15.8%, versus 20.6% for analogue or simulcast digital channels and 24.0% for other digital channels in 2009);
- (g) arts and culture programmes (15.8%, versus 23.5% for analogue or simulcast digital channels and 17.8% for other digital channels in 2009).

2.5 HDTV Programmes

- 35.0% viewers considered the HDTV programmes provided by ATV insufficient in quantity. 19.0% found it sufficient. 46.0% had no comment. (Comparison of the relevant figure could not be made as the question was not raised in the previous surveys.)

2.6 Local Productions

- 65.0% of viewers considered the quantity of local productions on ATV insufficient, while 13.6% considered it sufficient. 6.7% found it average and 14.7% had no comment. (Comparison of the relevant figure could not be made as the question was not raised in the previous surveys.)

2.7 Repeat Programmes

- 51.2% of viewers considered the broadcasting arrangement of repeat programmes of ATV dissatisfactory, while 19.1% expressed satisfaction. 9.7% found it average and 20.0% had no comment. (Comparison of the relevant figure could not be made as the question was not raised in the previous surveys.)

2.8 Current Broadcast Standard

- 70.6% of viewers had not come across offensive programme materials on free TV services (versus 73.7% for analogue or simulcast channels and 89.1% for other digital channels in 2009 and 69.3% in 2007), whereas 29.4% had encountered offensive programme materials on free TV services (versus 26.3% for analogue or simulcast channels and 10.9% for other digital channels in 2009 and 30.7% in 2007). The key concerns were related to “indecent materials”, “misleading contents” and “partial views, biased contents”.
- 90.3% of viewers had not encountered offensive advertising materials on free TV services (versus 87.0% for analogue or simulcast channels and 94.7% for other digital channels in 2009 and 82.6% in 2007) whereas 9.7% had encountered offensive advertising materials on free TV services (versus 13.0% for analogue or simulcast channels and 5.3% for other digital channels in 2009 and 17.4% in 2007). The key concerns were related to “misleading contents”, “disgusting scenes/horror shots” and “materials with bad examples to children”.

2.9

Overall Satisfaction

- 44.9% of viewers were dissatisfied with the free TV services of ATV³, whereas 27.9% considered it satisfactory. 15.4% found it average and 11.8% had no comment. Among those who expressed dissatisfaction with the free TV services of ATV, the reasons were as follows –
 - (a) reasons related to repeat programmes (e.g. too many repeat programmes, outdated repeat programmes, no subtitle for repeat programmes, etc.) (42.2%);
 - (b) reasons related to programme contents (e.g. not entertaining enough, biased stands, uncreative, etc.) (35.3%);
 - (c) there is a lack of local production of ATV (34.8%);
 - (d) programmes are not diversified enough (e.g. insufficient quantity for certain programmes, such as sports programmes, documentaries and variety shows, or excessive quantity for certain programmes, such as travelogues and dramas) (21.6%); and

³ A dissatisfaction level as high as over 40% is abnormal. From past observations, consumer surveys would generally show a level of customer dissatisfaction with services or products ranging from 5% to 15%.

(e) reasons related to quality programmes (e.g. quality of production not up to standard, low quality of actors) (17.2%).

(Comparison of the relevant figure could not be made as the question was not raised in the previous surveys.)

Part 2. Comments Collected from Public Hearings and Focus Group Discussions and Written Submissions by Individuals and Organisations

1 Programme Diversity

(a) Programme Types

- 1.1 Free television (“TV”) stations should broadcast a greater variety of programmes of different genres, including entertainment programmes, news, variety shows, etc. in order to broaden the choices of viewers. The same type of programmes should not account for an overly high proportion on the same channel, e.g. there were too many talk shows, dramas, Korean programmes and entertainment news.
- 1.2 The English channels of free TV stations were predominated by financial programmes, which were not consistent with the terms of service which were expected of an English channel. The station should provide more variety of movies as there were too many sci-fi, horror and violent movies.
- 1.3 Programme genres that should be increased included —
- Programmes for young persons: programmes with healthy and positive themes which contributed to the development of youth, drama that were based on stories of kinship and love of young persons.
 - Programmes for senior citizens: television was a main source of entertainment for the elderly. Free TV stations should continue to broadcast Mandarin and Cantonese classic movies and in particular, allocate two hours daily to these nostalgic movies at night.

- Music programmes: local and foreign music programmes; programmes on classical music or Chinese music, etc.
- Information programmes: programmes on Chinese history, Asian history, European history and world history; culture programmes such as music videos featuring music in China, Taiwan and overseas; geomagzine-type programmes featuring landscapes, heritage, religion, wild animals of China as well as other countries; programmes on foreign affairs, etc.
- Talk shows: programme hosts should have sufficient experience for engaging the guest artiste in small talks and improve viewers' understanding of the artiste concerned.
- Others: HD programmes; science studies, social programmes and travelogues; locally produced dramas and animation; comedies; educational programmes; interschool quiz programmes; programmes for learning a foreign language; Chinese, Japanese and Taiwanese programmes and dramas; game-variety shows; programmes on specified topics such as environmental protection, national education, safety issues, opposition to superstition, triad and gambling; programmes on university lectures; programmes on government departments' operation and services.

1.4 Favourable comments on ATV included —

- ATV's programmes were diversified. There were talk shows, current affairs programmes, programmes on health information, programmes on history and culture, etc. (e.g. "Memories of the Century", "News Bar Talk", "Newslime" and "Hong Kong History Decode").

- Some opined that ATV was willing to accept public views and make improvement in programming. For example, ATV produced “Babies Growth Diary” and planned to launch new drama programme (“Reincarnated”) and programme on Wing Chun coaching in order to bring something new to viewers.
- ATV’s CCTV-1 not only enhanced Hong Kong people’s understanding of China but also served as a platform for diversified programming.

1.5 Opinions expressing dissatisfaction with the programme variety of ATV included —

- There was a lack of self-produced programmes. ATV produced less than 200 hours of programmes each year and ceased producing dramas. More self-productions, especially dramas, should be broadcast in different time slots to reduce the vicious cycle of frequent repeats of programmes.
- New productions of ATV were unappealing. Apart from news programmes, other programmes were not worth for viewing.
- ATV Classic broadcast old productions as a substitute for new productions. There was a lack of sincerity and creativity and the station could not give new ideas and concepts to audiences in Hong Kong.
- It was not factually correct for ATV to claim that ATV had fulfilled its commitment to increase the amount of locally produced programmes because the latter consisted mainly of repeat programmes. As there was no general requirement for the locally produced programmes to be fulfilled by first-run, the unscrupulous use of repeat programmes by ATV was permissible.

- Based on the programme schedule of 10 February 2014 at ATV's website, ATV Home featured more than 30 programmes and a substantial amount of them were acquired or repeat programmes. Other than routine programmes (e.g. news, weather reports, financial programmes, etc.), the remaining 20 programmes (including repeats) were boring and silly.
- There were too many talk shows and current as well as public affairs programmes (e.g. "News Bar Talk", "Views on Hong Kong", "Blog the World" and "Hong Kong 100 VIPs", etc.), particularly at prime time slots. Some commented that the proliferation of talk shows was primarily intended for cost cutting.
- ATV continued to broadcast and repeat the broadcast of a substantial amount of acquired programmes, which were of varying qualities. As acquired dramas could be available for viewing on the Internet, the frequent re-run of so many programmes was a waste of resources. However, there were also opinions that the broadcasting arrangement could facilitate viewers to watch Korean and Mainland dramas for free.
- The programming of ATV consisted mainly of variety shows, foreign productions (e.g. Korean and Mainland dramas) and old programmes at prime time slots. It failed to meet the needs and expectation of viewers in Hong Kong.
- There was a lack of music programmes, local dramas and sports programmes. ATV had not acquired the live broadcast rights of major sports events for Hong Kong people.

- There were insufficient information and educational programmes and documentaries. Those broadcast by ATV were largely programmes acquired from the Mainland and outdated programmes.
- ATV broadcast too many horse racing programmes.

1.6 Programme genres that should be provided by ATV —

- Programmes enhancing the audiences' understanding of the developments of the Mainland as well as youngsters' knowledge of the Mainland and the Basic Law; programmes on history and national education; programmes featuring the developments of the Mainland and Taiwan.
- Programmes promoting youth entrepreneurship and featuring youngsters who successfully started their own business, as well as programmes on the daily lives of exchange students from the Mainland and overseas.
- Programmes on Cantonese operas to cater for the needs of the senior citizens and opera fans.
- Dramas and variety shows acquired from the Mainland, Taiwan, Korea and Japan to improve the overall quality of ATV programmes. Movies acquired from local, Mainland or overseas.
- Travelogues that were co-produced with travel agencies.
- Soccer matches that were jointly broadcast with now TV.
- Programmes that offered practical information (e.g. programmes on learning and domestic skills); programmes on world technology and health care.

- A greater variety of programmes, e.g. reality shows, documentaries, entertainment, current politics, current affairs, and programmes for the youth and the elderly.
- Adult programmes and movies should be broadcast daily between 12:00 midnight and 6:00 a.m., whereas infotainment programmes should be scheduled to broadcast at the remaining time slots.
- Programmes that catered for the modern taste and lifestyle of viewers. ATV should employ new artistes, produce more innovative programmes or re-make old programmes. There was a lack of game shows or variety shows which enhanced the audience's sense of engagement.
- Music programmes featuring a new generation of band sound music.
- Programmes on the local and international non-governmental organisations.

1.7 ATV should introduce —

- A round-the-clock news channel: duration of news bulletin on such channel should be at least 1 hour.
- A “gambling entertainment” channel: programmes provided all the relevant information on horse racing and soccer betting organised by the Hong Kong Jockey Club.

(b) Independent Productions

- 1.8 Free TV stations should broadcast, say, one hour daily of programmes produced by independent production houses to help improve the overall diversity of programming.

- 1.9 Although the CA's guideline stipulated the programming hours of locally produced programmes, there were no specific requirements on whether such programmes must be self-produced or acquired from other companies. There were suggestions that the CA should prescribe the proportion of self-productions and independent productions respectively. This would help nurture local talents and foster the development of production companies.
- 1.10 The CA should encourage television stations to acquire more programmes from local production companies or independent producers. This would foster the development of and competition in the creative sector in order to provide more choices of programmes to viewers and enhance programme quality.

(c) Programmes for Ethnic Minority Groups or Minority Audience

- 1.11 Free TV stations should provide more programme genres as follows —
- Programmes targeting ethnic minorities: re-transmission of Pakistan news channels, sports channels featuring cricket matches (e.g. the Cricket World Cup in Bangladesh) and commentaries of the Hong Kong Cricket Association on the game. There were suggestions to broadcast a number of hours per week of programmes for ethnic minorities.
 - Programmes for the disabled/hearing impaired: more information programmes should be produced to reflect the cultural views and cater for special needs of the hearing impaired. In addition, more programmes for the disabled, either hosted or performed by the disabled as far as possible, should be provided. These programmes helped promote integration of disabled persons into the community.

2 Positive Programme Requirements

- 2.1 The arts and cultural programmes, and programmes for children and senior citizens of free TV stations were insufficient. The CA should introduce a new provision requiring the licensees to broadcast not less than 20 hours per week of arts and culture programmes, programmes for children and senior citizens in Chinese, Putonghua and English languages respectively.

(a) Comments on Arts and Culture Programmes

- 2.2 Free TV stations should increase the broadcast of arts and culture programmes in order to encourage viewers to appreciate arts and culture.
- 2.3 Free TV stations should broadcast history and/or cultural programmes on the Chinese channels for not less than 5 hours per week. These programmes should not be mixed with entertainment elements, and not be packaged in an impish way.
- 2.4 Arts and culture programmes should be broadcast at the late hours to cater for viewers who could not stay up early.

(b) Comments on Children's Programmes

- 2.5 The broadcast time of children's programmes should keep up with the school hours of the students. Children's programmes should be either broadcast at a later time slot (i.e. between 6 p.m. and 6:30 p.m.) or rescheduled to be broadcast on digital channels.
- 2.6 The broadcast hours of children's programmes on the Chinese channels (i.e. less than 3 hours a day) was relatively low and should be extended.
- 2.7 Children's programmes were dreary, outdated and repetitive in content.

- 2.8 “Q & A Lessons” broadcast on ATV Home changed the usual production mode of children’s programmes. It focused on information and practicality.
- 2.9 Free TV stations should provide more educational and informational programmes targeting children aged 4 to 13.
- 2.10 There were comments that in view of the decline in child population and the implementation of the full-time primary school programme, the broadcast hours of children's programmes should be reduced to 45 minutes per day. On the other hand, niche channels could be exempted.
- 2.11 Viewers should be reminded of any risk that animations might include content that was unsuitable for children’s viewing.

(c) Comments on Programmes for Senior Citizens and Programmes for Young Persons

- 2.12 Free TV stations should broadcast more programmes for senior citizens and young persons.

(d) Comments on Documentaries

- 2.13 Free TV stations should broadcast more locally produced documentaries.

3 Editorial Freedom and Independence of News Reports

- 3.1 Some considered that the news reports of ATV were detailed, accurate and objective. However, there were also opinions that the news reports of ATV were untruthful, repeatedly inaccurate, misleading, biased, and denied the public's right to know.
- 3.2 In 2011, there were public concerns after ATV Home erroneously reported the death of former national leader Mr Jiang Zemin, and turned its station logo into dark grey. Although ATV apologised for the misreporting incident afterwards and punished its staff concerned, the inaccurate news reporting on the matter was not acceptable. This also indicated that the station did not take the news reporting serious.

4 Accuracy, Impartiality and Fairness

- 4.1 Spectrum was scarce public resource. Broadcasters should not be permitted to abuse public resources for self interests by propagandizing the stations' views or attacking competitors. While free TV stations should be allowed to express their own viewpoints, they should not exploit the spectrum to promote their own interests and express views which were biased and unfair. Also, some opined that free TV stations should not express their own political stances in their programmes and must not interfere into the operation of news departments. The Government should neither interfere into the operation of free TV stations nor probe the political stances of the free TV stations. In determining whether a licence should be renewed, the relevant authority should take into account the impartiality of the views expressed in the programmes of the station and whether the conduct of the station was professional, including whether or not the station had misused the spectrum to promote its interest should also be taken into consideration.
- 4.2 Some called for more stringent regulation on the presentation of political commentaries in programmes. Free TV station should not be allowed to present one-sided views without providing suitable opportunity for response to the programme. On the other hand, some did not support regulation on the grounds that this would encourage the broadcaster to exploit some loopholes in the law to circumvent a restriction.
- 4.3 The relevant authority should regulate the accuracy of information contained in infotainment programmes. Currently, infotainment programmes were not subject to the regulation of production guidelines of news programmes. There were times when these programmes reported inaccurate facts but were not sanctioned.

- 4.4 There was room for improvement in the editing and interview standards. Free TV stations should encourage the widest possible airing of views and probe into the truth of the matters.
- 4.5 ATV's programmes were able to analyse the affairs in the Mainland and the world from various perspectives and were positive in nature.
- 4.6 Some were dissatisfied with ATV's senior management serving either as hosts or producers of the programmes. Whether or not senior management should intervene into the content and production of the programmes was controversial. The move also confused the audience, who found it difficult to identify whether one's views presented in the programme was made on behalf of himself or the TV station.
- 4.7 Opinions expressing dissatisfaction with ATV's news, current affairs programmes and talk shows included —
- Some programmes, e.g. "Caring Hong Kong's Future" and "ATV Focus", were biased, defamatory, provocative, inaccurate and misleading.
 - In "Blog the World", ATV repeatedly attacked its competitor, Mr Ricky Wong, making groundless accusations against him but did not give him an opportunity to defend himself. ATV's conduct was an abuse of mass media platform to promote its own interest and amounted to disseminating false information.
 - ATV's "The Award Ceremony of the Hong Kong Loving Hearts Campaign" made use of public resources for self interests.

- There was dissatisfaction with an ATV's investor who expressed his political views in ATV's programmes to advance his own interests.
- ATV's recent talk shows failed to discuss current affairs in an impartial manner. These kinds of biased and inaccurate programmes would exert an adverse effect on immature young persons.
- ATV made use of its programmes for propagandizing the views of the station and some political bodies. These programmes were partial and denigrating the opposing parties without giving an opportunity for response.
- Members of the senior management often interfered into the production of programmes and news reports, raising serious concerns on the accuracy of the information provided by ATV.
- Most of the new productions aimed to please the Hong Kong Government and the Central Government. ATV failed to play the role of the Fourth Estate to monitor the conduct of the Government.
- ATV's programmes continued to reflect the ideology of the Mainland. Since Mr Wong Ching controlled ATV, the viewpoints of ATV's programmes had been extremely pro-leftist and rejected multiculturalism and values. The situation is even worse than that of CCTV.

4.8 Opinions expressing satisfaction with “ATV Focus” included —

- “ATV Focus” made sensible analysis and reasonable comments on social issues. In particular, on the issue of universal suffrage in the chief executive election, while some people in the society and the pan-democrats suggested electoral means which did not comply with the Basic Law, “ATV Focus” corrected their fallacies, educated the public and assisted the Government in enforcing its policies. The programme was a blessing to the audience and the community.
- Mr Tong Man’s views were generally fair and impartial. However, as most viewers would not want to listen to only one person’s views every day, the programme should include views from different commentators.
- “ATV Focus” was outspoken, analytic, unbiased and fair. Re-running “ATV Focus” could enable members of the public to watch the programme after work. The views expressed in “ATV Focus” could balance the biased views of Radio Television Hong Kong and Commercial Radio Hong Kong.
- The 40,000 public complaints relating to “ATV Focus” were aiming at prohibiting the programme to express opinions freely. The programme should therefore be retained to avoid suppressing freedom of speech.

4.9 Opinions expressing dissatisfaction with “ATV Focus” included —

- The contents of “ATV Focus” were superficial and did not sum up various views. It failed to bear the responsibility of the media to remain impartial. “ATV Focus” was broadcast during the family viewing hours and the time-slots of children’s

programmes. It would adversely affect the children in thinking in multiple perspectives.

- The programme made use of public resources for its own interest. The so-called informational programme broadcast through free spectrum attacked persons, organisations and bodies who had different viewpoints from ATV as well as those who had criticised the poor quality of ATV. For example, in criticising Scholarism, the programme obviously took a one-sided stance on the issue of national education and generated over 40,000 public complaints.
- "ATV Focus" was mimicking the Mainland programme "Focus Report". Its commentaries were vague and superficial, and of low standards which were on par with primary school students' writing.
- The hosts of "ATV Focus" were biased and one-sided. The programme should invite guests from different political backgrounds to balance the hosts' views.
- The programme contained one-sided comments. Only opinions in support of their own views were broadcast and opposing viewpoints were excluded. The programme failed to provide opportunities for the opposite side to defend.

4.10 ATV's programmes, such as "Views on Hong Kong", were impartial and with a clear stance. They offered platform for people of different backgrounds and stances to express their views to balance the anti-government views in the society. If ATV failed to get its licence renewed, the voice of the patriots would be muted.

4.11 "News Bar Talk" was overall a good programme, however, it should avoid inviting representatives from the National People's Congress and The Chinese People's Political Consultative Conference too frequently.

5 Programme Standards

- 5.1 The programmes of free TV stations contained bad language and indecent and obscene elements, which exerted negative impact on young people. Restrictions on free television programmes should be tightened to avoid naked scenes outside the late-night hours. Family viewing hours should be extended to 9:30 p.m.
- 5.2 “M” programmes should be rescheduled to be broadcast in a later time slot, i.e. between 12 a.m. and 4 a.m.
- 5.3 The programme classification “PG” should be subdivided into “programmes for those aged 12 or above” and “programmes for those aged 15 or above”.
- 5.4 The frequent special interviews about fung shui and palm reading were superstitious and encouraged idol worshipping.
- 5.5 The portrayal of scantily dressed female contestants in the television shows disrespected women. There were suggestions that women should put on one-piece swimming suits (as opposed to bikini) which could also show their figures and gracefulness.
- 5.6 The programmes of the free TV stations over-advocated materialism resulting in moral degradation in the society.
- 5.7 The broadcasting time of non-Cantonese programmes should be restricted. For example, ATV’s Shenzhen Satellite TV and CCTV-1 channels were not dubbed in Cantonese, which did not cater for the needs of the local community.
- 5.8 It was requested that “Do not indulge in gambling” and related warnings should be broadcast before each session of racing programmes, football odds or predictions and drawings of Mark Six.

- 5.9 Advertisements and promos which contain adult themes should be prohibited from broadcasting during family viewing hours.
- 5.10 Adult programmes, such as “Lively Colour Brings Forth Fragrance” (literal translation) and “Celebrity Talk Show”, should not be aired on ATV Classic.
- 5.11 The hosts of “ATV Focus” were not modest and their pronunciation was inaccurate, exerting a bad influence on young people.
- 5.12 Some of ATV’s programmes abetted the public in betting on horses and speculating in the stock market, which was distasteful.
- 5.13 Some of ATV’s self-produced programmes did not use Cantonese as the main broadcasting language, which was against its claim of “Cantonese channel”.
- 5.14 Many programmes were hosted in Mandarin or mispronounced Cantonese, for example, in one of the episodes of “News Bar Talk”, the host and the guest communicated in non-Cantonese throughout the programme.

6 Programme Quality

6.1 Some were dissatisfied that the coverage of Mainland and international news in the news reports of free TV stations was seriously inadequate.

6.2 Some were dissatisfied that free TV stations had adopted the style of entertainment programmes in producing financial programmes and property information programmes.

6.3 Some were satisfied with the programme quality of ATV. They considered that ATV was conscience-conscious; not demagogic; did not broadcast programmes of bad themes; promoted social harmony and there was less portrayal of violence and cheating. Other reasons included:

- The programmes of ATV were comprehensive in content. The commended programmes included “ATV Loving Hearts”, “Step on Stage of ATV CNY Show”, “Asian Wave”, “Director Ko’s Blog”, “ATV Focus”, “News Bar Talk”, “Views on Hong Kong”, “Babies Growth Diary”, “ScientistHome”, “Hong Kong History Decode”, “One Day”, “Paul Merton in Europe”, “Worldwide Encyclopedia: Sensory World” (literal translation), “News Tease”, “Hong Kong 100 VIPs”, “Cool Met Stuff”, “News Magazine”, “Adventure For The Herbal Medicine”, “Blog The World”, news reports and financial reports, etc.
- ATV produced a number of educational programmes with positive themes, e.g. “ATV Hong Kong Loving Hearts”, “Family Wisdom”, “Good Deeds” (literal translation), “Hong Kong People Cannot Rule Hong Kong” and the programmes on the struggle of Chinese people. These types of programmes were rarely seen on other TV channels.

- Some commended the Classic Channel, which could provide an opportunity for viewers to review old dramas. Many senior citizens loved watching old dramas.
- ATV's old dramas (e.g. "My Date With a Vampire", "Fist of Fury", "Flaming Brothers", "Fated Love", "Dynasty", "The Good Old Days", "Forrest Cat", "Justice Pao", "The Legendary Fok", "Chen Zhen") and the cookery programmes hosted by Ms Fong were of high quality and should be re-run.
- ATV's "Q & A Lessons" introduced a new category of children's programmes.
- Some commended the documentaries of ATV World which featured people and current affairs (e.g. the monarchy of the United Kingdom and the history on Japanese invasion of China).
- ATV had produced many classic programmes (e.g. "Hong Kong Today" and "Who Wants to Be a Millionaire?").
- Some considered that ATV's programmes were of good quality, creative, and conveyed positive messages to the community (e.g. "ATV Hong Kong Loving Hearts Campaign").
- The broadcast of Mainland programmes provided the best opportunity for Hong Kong people who worked in the Mainland to understand the situation in the Mainland.
- The participants of ATV's "Miss Asia Pageant" were from different countries, making the programme more entertaining. "Mr. Asia Contest" was creative and its participants were of high-quality.

- ATV's acquired dramas were worth watching (e.g. "Turbulence of the Mu Clan", "Cliff" and "Mother-in-law Has Come").
- Livecast of Sunday worship service on ATV World could provide an opportunity for those who were otherwise unable to attend church gatherings to join the service.

6.4

Some were dissatisfied with the programme quality of ATV. They considered that ATV's programmes were of poor quality; boring; low-budgeted; produced in a rough and sloppy manner; and failed to achieve the objective of entertaining the audience. Other reasons included:

- In recent years, most of the self-produced programmes were filmed in the studio, with very few outdoor filming. Audience expected programmes of better quality instead of programmes with just backdrops, moderators and footages.
- Self-produced programmes were of poor quality. Programmes of poor production standards were acquired for cost-saving reason.
- As one of the two free TV stations, ATV lacked locally-produced programmes and could not shoulder the responsibility of nurturing talents. ATV's programmes had not received any international awards. Most of the Hong Kong people did not watch programmes of ATV at all.
- ATV's programmes were too Mainland-oriented and could not cater for the taste of Hong Kong viewers. There was a big gap between ATV's programmes and its viewers. Members of the public knew nothing about ATV's programmes and ATV failed to produce any programmes which were influential or appealing. For reducing cost, ATV acquired dramas that had low viewership in the

country of origin, and broadcast Mainland dramas that had never been broadcast in the Mainland or had low viewership during prime time.

- Programmes on ATV Home were primarily talk shows and they were formulaic.
- There was a shortage of new artistes, while the performance of existing artistes was poor.
- The anniversary gala and major events of ATV were frequently held in the Mainland and mainly conducted in Putonghua. The taste of the general public in Hong Kong was ignored (e.g. “The First Chinese Television Station in the World - ATV 55th Anniversary cum the 15th Anniversary of the Hong Kong Special Administrative Region Ceremony” held in the Mainland).
- There were frequent mistakes in “Caring Hong Kong’s Future”, “ATV Focus” and “Sports Bulletin” as well as subtitles in these programmes. This showed that the programmes were sloppily produced.
- The contents of programmes were of low standard. For example, the contestants in “Mr Asia Contest” were required to parade down the street in their underpants to promote the programme.
- Some were dissatisfied with ATV’s programmes which focused on discussing the politics of the Mainland.
- There were frequent mistakes in announcing the results of Mark Six.
- The casting of Mr Chim Pui-chung in “Views on Hong Kong” was unsatisfactory. The contents of the programme were nonsense.

- ATV produced a programme featuring the visit of executives of a business institution to ATV's studio. The content was totally irrelevant to the local audience.
- ATV broadcast many so-called healthcare programmes which claimed to foster innovation and promote healthcare (e.g. "ScientistHome"). These programmes actually promoted the sale of forged personal care products to the elderly and the ignorant, thereby amounting to advertising.

6.5 Some were dissatisfied with the performance of the World Channel. ATV World was full of re-runs, horse racing programmes, low-budget productions and Mandarin programmes. But news and current affairs programmes were of acceptable quality.

6.6 The broadcast of dubbed Chinese old programmes on ATV World was a waste of the English channel.

7 Programme Scheduling

(a) Overall Approach

- 7.1 Free TV stations should be required to broadcast locally-produced programmes during prime time, e.g. at least 2 hours a day.
- 7.2 Free TV stations should be prohibited to re-transmit foreign or Mainland channels. Free TV stations should be required to use the spectrum to transmit locally produced programmes only.
- 7.3 There was dissatisfaction with the weekend programme scheduling of free TV stations, which offered limited choices to the audience.
- 7.4 Main news bulletins (in particular evening and late night news) should last for at least 60 minutes, and news about the Mainland should account for at least 15 minutes, while international news should also account for at least 15 minutes.
- 7.5 The broadcasting time of programmes on ATV's CCTV1, e.g. "Treasure Hunting" (literal translation), was irregular. The programme schedule of the TV station was inaccurate and annoying.
- 7.6 Some were upset that ATV ceased to broadcast "Money Talks" without prior notification to viewers.
- 7.7 Evening news reports on the Chinese channels of free TV stations were both scheduled from 6 p.m. to 6:30 p.m. There were suggestions that the broadcasting time of the news reports should be rescheduled to 7 p.m. or after to cater for the needs of citizens nowadays.
- 7.8 Same programme should not be broadcast on different channels at the same time-slot.

(b) Repeat of Programmes

- 7.9 The number, frequency and broadcasting time of repeat programmes should be restricted, for example, repeat programmes could only be broadcast during late night hours or non-prime time. There were comments that airtime of such programmes should not exceed 1/3 of the total airtime, while the same programme should not be broadcast more than twice in a year.
- 7.10 Old programmes that had been re-run for a number of times should not be broadcast from 7 a.m. to 12 noon and from 2 p.m. to 6 p.m.
- 7.11 It was suggested that movies should not be re-run for more than three times. Re-runs of documentaries should be restricted because the information of some documentaries might be outdated and misled the public. There were suggestions that repeat of dramas should be restricted, e.g. dramas that were broadcast two years ago could not be re-run. If they were re-run, only two episodes could be re-run every week.
- 7.12 Some were dissatisfied with the repeat programmes of ATV. Reasons included:
- ATV had been repeatedly rerunning a programme for a long period of time, for example, “News Bar Talk” was repeated as much as four times a day, which severely limited viewers’ choice, and was of poor taste, annoying and made the audience feel being cheated.
 - Repeat of programmes hindered the development of artistes, and resulted in overall decline of the entertainment business in Hong Kong.

- It was a waste of spectrum to broadcast repeat programmes during prime time in the evening. ATV was unable to provide diversified and new entertainment and information programmes to members of the public.
- ATV did not show sincerity in supporting local creation, which was detrimental to the development of the creative industry in Hong Kong.
- Repeat of programmes showed ATV's lack of resources to produce programmes. However, ATV shirked its responsibility by claiming that the arrangement of repeat programmes catered for the needs of viewers who might wish to watch these programmes after work. In fact, ATV could set up a website to allow the public to view its programmes online, instead of keep repeating the programmes on TV channels.
- It was disappointing that the number and frequency of repeat programmes on channels 11 and 12 were too high. It could be said that there was no difference even if there was no such TV station.

7.13 ATV should reduce the frequency of repeat programmes. For example, a programme should not be repeated for more than once a day.

7.14 The CA should impose a condition in the renewed licence of ATV, requiring that 70% of ATV's programmes should be newly and station-produced.

7.15 Some opined that in response to public views ATV had broadcast more locally-produced programmes and adjusted re-run schedules.

- 7.16 Those who were satisfied with the schedule of the repeat programmes considered that the arrangement was user-friendly as it enabled viewers with various viewing habits to watch programmes and review classic programmes. Those who were dissatisfied with ATV considered that the programme scheduling of ATV in the past years was chaotic and adversely affect the trust of the viewing public and advertisers. For example, a number of programmes which were being showcased from 2000 to 2010 by ATV did not turn out eventually.

(c) Programme Types

- 7.17 In the information age, time restriction on the broadcast of news report should be removed, and the TV stations should instead be requested to broadcast a 20-minutes news report in the morning, afternoon and evening so as to give them more flexibility in scheduling programmes.

(d) Channel Line-up

- 7.18 Free TV stations should not be allowed to make use of the precious spectrum to carry too many re-transmitted channels from overseas.
- 7.19 A TV station should not provide more than 5 channels, including at least 2 HD channels, in order to reduce the demand for and burden of bandwidth as well as to provide more choices for viewers.
- 7.20 As currently a TV station use foreign channels to replace locally produced channels, there were suggestions that the number of retransmitted channels acquired from overseas should not exceed 30% of the total number of channels of a TV station.

7.21 Comments on ATV Classic channel included:

- Those who were dissatisfied with ATV Classic considered the channel a wastage of channel capacity. ATV seldom invested in programming and ceased producing new programmes. It exploited a loophole in the law by repeatedly broadcasting its old programmes. On the other hand, there were also opinions that ATV Classic was acceptable as the repeated programmes could meet the needs of different viewers.
- ATV should employ more channels (i.e. from channel number 1 to channel number 10) to broadcast a greater variety of classic programmes, dramas and movies.
- There were suggestions that an “uncut” version of news reports of “One Day” should be re-run to cater for the needs of nostalgic viewers. The broadcast of “One Day” on ATV (i.e. around 2 minutes) was too short.
- ATV should re-run old variety shows or some of them in the format of episode highlights.
- ATV should re-run children’s programmes.

7.22 The broadcast of a large number of SD programmes on the HD channel of ATV was a waste of spectrum.

7.23 The positioning of ATV was weird and inexplicable. ATV adopted “differentiated” programming and this resulted in cessation or reduction of the broadcast of popular infotainment programmes (e.g. “Hong Kong Gossip” and “Cheers Hong Kong”). Meanwhile, it increased the broadcast of the so-called cultural talk shows which were boring, poorly received and with low viewership during prime time (e.g. “News Bar Talk”, “East Wing West Wing”, “I want to be CE”, “I want to be

CE 2 Debate Special”, “The Policy Debate” and “Asia Policy Unit”, etc.).

- 7.24 Retransmitted channels from the Mainland were a waste of spectrum. If ATV licence was to be renewed, it should be prohibited from re-transmission of channels from the Mainland or should reduce the number of such channels. On the other hand, there were views that there should be more Mainland channels for public reception free of charge.
- 7.25 The two retransmitted channels from the Mainland on ATV did not suit the taste of viewers in Hong Kong. It was suggested that the two retransmitted channels should be replaced by “Hunan TV World”.
- 7.26 Since the launch of digital TV, ATV changed the number and contents of its TV channels many times without explaining to the viewing public. It showed that the change of channel line-up by ATV was not primarily based on public interest. Channel line-up was changed for administrative and financial convenience, which was unfair to the public.

8 Subtitling/Sign Language

(a) Subtitling for the Hearing Impaired

- 8.1 There were calls for providing subtitles to all pre-scheduled programmes.
- 8.2 The CA should impose a new provision in the renewed licence to require free TV stations to provide subtitles on a 24-hour basis (including all live news coverage) to enable the hearing impaired to receive up-to-date information.
- 8.3 In the news bulletin, dialogues between anchors should be fully-subtitled.
- 8.4 Free TV stations should provide subtitles for the hearing impaired as well as for Cantonese vernacular.
- 8.5 Subtitles should be added to the programmes re-run on “ATV Classic”.
- 8.6 When ATV re-run its old programmes, subtitles sometimes occupied half of the screen, which showed that ATV lacked the necessary techniques and incentives to improve. Moreover, some considered that the subtitles of the rerun programmes were small. The appearance of subtitles and the screen were not in sync and the picture quality was poor.

(b) Sign Language Interpretation

- 8.7 At present, only news programmes were required to carry subtitles. However, due to different textual perception of the hearing-impaired, it was necessary to provide sign language interpretation to supplement messages not delivered by text via the movement and facial expression of sign language interpreters. Therefore, it was suggested that news programmes in all mainstream TV channels should provide sign language interpretation and subtitles at least once a day. Various organisations for the hearing

impaired requested that the TV stations should be required to provide sign language interpretation for news programmes.

- 8.8 Weather reports and current affairs programmes should also provide sign language interpretation.
- 8.9 The hearing impaired suggested that in the case of breaking news and important government announcements (e.g. the Policy Address, financial budget and the Q&A sessions in the Legislative Council) for which subtitles might not be available, sign language and news summaries should be provided to enable them to receive these messages.

9 Advertising

(a) Programme Sponsorship

- 9.1 Restrictions of programme sponsorship should be relaxed to increase advertising revenue for free TV stations.

(b) Indirect Advertising within Programmes

- 9.2 Restrictions of indirect advertising should be relaxed to increase the advertising revenue for free TV stations. Indirect advertising also appeared in Japanese and Korean dramas, which were flooded with new cell phones and fashion brands, while indirect advertising to promote vehicles and computer products could also be found in some high-quality European and American soap operas. Advertising revenue directly influenced the quality of TV programmes and was conducive to the survival of existing and future broadcasters. When Hong Kong's programmes were broadcast overseas, Hong Kong's brands could also be promoted internationally via indirect advertising. This would benefit Hong Kong economy and enhance the image of Hong Kong.
- 9.3 Those opposed to in-programme advertising considered that if indirect advertising was accepted, different products would be featured on screen at the same time to increase exposure, which would compromise the quality of programmes.
- 9.4 The CA should review relevant regulations of indirect advertising. The existing regulations stipulated that no undue prominence should be given to a product of a commercial nature. However, there was no clear definition of "undue". This was unfair to the TV stations.
- 9.5 Indirect advertising that promoted the supernatural, feng shui and superstition should be prohibited.

- 9.6 Restrictions on the duration of product placement and/or the proportion of a product appearing on screen, etc. should be imposed.

(c) Specific Categories of Advertisement

- 9.7 It was suggested that restrictions on advertisements should be relaxed to enable free TV stations to increase their revenue. For example, political, medical and religious advertisements should be allowed to be broadcast as long as they were broadcast outside the family viewing hours and carried warning notices.
- 9.8 Restrictions on advertisements for hospice care and funeral services should be relaxed provided that they did not refer to death and terror.
- 9.9 There were actors playing dentists stating that “90% dentists use the product” in advertisements for dental implant and toothpaste. The CA should investigate whether there was any breach of laws or related codes.
- 9.10 Advertisements on financial services often encouraged consumers to buy luxury goods and go travelling by lending, and promoted easy lending. These advertisements should carry a warning against excessive lending, just like the health warnings on cigarettes packaging.
- 9.11 Advertisements of financial derivatives and other complex investment products (e.g. covered warrants, products with default risk) should cease to be broadcast in order to avoid misleading investors.

(d) Advertising Time

- 9.12 It was suggested that the restrictions on advertising time should be relaxed. Free TV stations should be allowed to broadcast advertisement for a time not exceeding 15% of the total broadcast time of the channel. Moreover, the broadcasting intervals of advertisements should also be relaxed. Free TV stations could choose to broadcast all advertisements before the start of the programme or inserted them in the middle of the programme subject to their needs.
- 9.13 During the advertising break, a countdown timer should be displayed in the corner of the advertisement. The same restriction had already been imposed in many different countries.
- 9.14 No advertisements should be inserted during the broadcast of news reports, dramas and movies.
- 9.15 There were too many advertisements during the broadcast of sports programmes, which affected viewing pleasure.

(e) Advertising Standards

- 9.16 Advertisements should be scheduled and broadcast having regard to emotional needs of the audience, and should avoid terrifying and misleading the audience.
- 9.17 There should be more restrictions on advertisements containing indecent and erotic materials.

10 Technical Issues

(a) Quality of Picture and Sound

- 10.1 Retransmission of CCTV-1 Channel by ATV in 4:3 aspect ratio had affected the viewing pleasure of those using 16:9 aspect ratio TV sets. ATV should re-transmit CCTV-1 Channel in 16:9 aspect ratio to avoid wasting the valuable spectrum for the broadcasts.
- 10.2 The picture quality of the retransmitted channels from the Mainland was poor.
- 10.3 ATV persistently displayed its logo and programme name on screen, which disrupted the viewing pleasure. Logos of ATV's channels were too flamboyant.
- 10.4 ATV's picture quality was of lower standards. SD programmes were often aired on HD channels to deceive the audience.
- 10.5 ATV was still using the SD standard, which had a lower image quality and failed to meet the requirements for HD broadcasting.
- 10.6 All digital channels should achieve the standards of HD broadcasting after the switch-off of analogue broadcasting.
- 10.7 HD broadcast of free TV stations only enhanced the image sharpness. There were no layering, cinematic feel and surround sound in HD programmes. The quality of picture and sound lagged far behind that of their counterparts in Japan, Korea and Taiwan, etc.

(b) Reception of Signal

- 10.8 The reception signal of digital TV in Central and Western district was unstable.

- 10.9 The reception signal of southern part of Lantau Island was weak and not satisfactory. Transmitting station at Cheung Chau was not functioning well, and should be relocated to Shek Kwu Chau.
- 10.10 Mongkok was suffered from unsatisfactory reception. “Snowing” was commonly found in TV pictures.

11 Investment and Financial Capability of ATV

- 11.1 Given its persistently low viewership, ATV would not have resources in providing different types of programmes. The situation became perplexing when ATV claimed that it had already invested billions of dollars on programming. Although ATV was committed to investing billions of dollars in the production of new programmes and dramas for the benefit of its audience, it had not been materialised. In fact, ATV introduced the Classic Channel with practically “zero” cost.
- 11.2 Given its low viewership, ATV had no advertising clients and was making a loss of more than \$200 million each year. On the other hand, ATV proposed, in the context of licence renewal application, to invest \$2.7 billion during the period from 2016 to 2021. Concerns were expressed over the financial capability of ATV to deliver the proposed commitments and that such commitments were nothing but empty promises.
- 11.3 There were few advertisements in ATV. It mainly broadcast government advertisements and programme promos. Given its poor financial situation, it was doubtful if ATV could sustain its business.
- 11.4 ATV had made substantial losses over the past years and changed its bosses several times due to financial problems. It was heavily indebted and would not have sufficient resources in providing new dramas and programmes. ATV’s failure to submit audited accounts for 4 years from 2009 to 2012 showed that the TV station was not financially sound. The operation of ATV mainly relied on loans and credit. The authorities should investigate into the funding sources of ATV, its potential legal risks and liabilities.
- 11.5 There was a possibility that ATV would be winded up at any time. The authorities should take this factor into account when considering the licence renewal application of ATV.

12 Management and Operation of ATV

- 12.1 ATV had no commercial advertisements at all and the advertising slots of ATV were filled up with its programme promos. This meant that ATV had lost support from both advertisers and viewers. It was doubtful if ATV could sustain its business.
- 12.2 There were reasons to believe that capital injection from the Mainland supported and controlled the operations of ATV.
- 12.3 The senior management had repeatedly made empty promises to kick off new drama series or produce new programmes.
- 12.4 ATV did not keep its words to be “conscience of Hong Kong” as the overall performance of ATV was unsatisfactory. The broadcast of such slogan in the advertising time slots was annoying.
- 12.5 ATV’s management lacked planning, vision and transparency in managing ATV.
- 12.6 ATV was controlled by its investor and an example of this was the misreporting of Jiang Zemin’s death. The investor would continue to exert influence over ATV’s programming, though in a more subtle manner. It was difficult to believe that an investor would continue to support a company that was making a loss without participating in the decision-making process.
- 12.7 ATV’s major investor (Mr Wong Ching) interfered with the operations of ATV and breached his undertakings made to the CA. Even though Mr James Shing was removed from his office, it was not guaranteed that Mr Wong would cease to involve in the operations of ATV. In these circumstances, revocation of the licence of ATV was a once-and-for-all solution to these problems.

- 12.8 The audience was annoyed by Mr Wong Ching's interference into the operations of ATV even though he was only an investor and did not possess any expert knowledge of TV industry; and that he led ATV's staff to dance at the Central Government Offices.
- 12.9 ATV's lack of new productions and frequent repeat of programmes had put its financial competence and management into question.
- 12.10 ATV should introduce strategic investors to carry out major reform, so as to improve ATV's business development and enhance the overall quality of its programmes and associated services.
- 12.11 The management of ATV disregarded the public opinions expressed in the complaints against ATV, resulting in a negative public image. The overall performance of ATV's management casted doubt on their competence of managing the TV station. During the public hearings, the senior management of ATV was arrogant when facing public criticism. They showed no intention of making improvement, felt good about themselves, and even criticised the public.
- 12.12 Since the 1990s, there were frequent changes in the shareholding and personnel of ATV, leading to a lack of stability in management. The power struggles of the senior management and shareholders' disputes gave rise to a series of legal proceedings. The management was unable to focus on the operational matters of ATV and this resulted in mismanagement for years and failure to provide quality programmes.

13 Competition in the Free TV Market

- 13.1 Market dominance and lack of competition in the free television market resulted in poor quality of the television industry, making it difficult to compete with its counterparts in other countries. Fewer young people were willing to join the industry, and this created a vicious cycle. As only competition could bring about progress, the government should open up the television market and facilitate diversified development.
- 13.2 The licence renewal exercise of free TV stations was not a purely commercial issue. Firstly, the licensees were assigned spectrum. Secondly, television industry had an impact on other cultural industries such as films. Thirdly, cultural industries had an indirect impact on economy. For example, pop culture of Korea boosted tourism, stimulate the development of the other creative industries (e.g. advertising, music, etc.) and created jobs. The authority should promote competition by eliminating operators which had no intention to improve.
- 13.3 To promote competition, licences should be granted to new operators who were keen to invest. This would provide more opportunities for young people who were interested in joining the television industry.
- 13.4 With the advanced development of information technology, Hong Kong television industry was facing worldwide competition. Television market should be opened up, instead of letting the Government decide which competitors could survive.

14 Overall Performance of ATV

14.1 Some supported the renewal of ATV's licence. Reasons included:

- ATV had a long history, and developed over the years with Hong Kong people. While it was currently in a critical situation, it had strong performance in the past and deserved an opportunity for it to rebound.
- Notwithstanding the financial problems, ATV strived to advance and worked hard to improve its programme quality.
- ATV's programmes were educational. It provided opportunities for viewers to watch their favourite old programmes. News and cultural programmes were of good quality and stayed tuned with the latest development of the society.
- ATV was the TV station that promoted positive value. Comments on its current affairs programmes were fair and its drama series and informational programmes were of good quality. ATV performed its role as Hong Kong's conscience, promoted justice, loved the country and its people, and advocated the traditional virtues of filial piety and benevolence. Its production was not purely based on commercial considerations and enabled viewers to receive correct values and messages.
- ATV's s programmes (e.g. documentaries, interviews, talk shows and travelogues) targeted at niche audience. Although these programmes had not attracted many audiences, they took care of the preference and needs of the niche.

- Some pointed out that according to a survey conducted among residents in Shatin, most people in their middle age or above supported the licence renewal of ATV.
- ATV provided jobs for more than 600 employees. If its licence was not renewed, its employees would be unemployed, adding to the burden of the Government and society.
- ATV was committed to invest HK \$2.7 billion in the coming 6 years in upgrading infrastructure and facilities, programme production and hiring of talent. It aimed to strengthen its competitiveness in traditional and new media, and also in such aspects as talent, mechanisms and creativity. This showed that the future of ATV was promising.
- Hong Kong was a free society. ATV should not be denied an opportunity to continue to operate because it adopted a different editorial and programming strategy.

14.2 There were comments that opposed the licence renewal of ATV. Reasons included:

- The airwaves were public resources and ATV had occupied the resources for many years. While ATV had occasionally produced good programmes in the past, its performance was deteriorating in recent years. It kept airing the same programmes to such an extent that it was almost unbearable. In line with the usual rule of game in Hong Kong which emphasised commercial results, diligence and survival for the fittest, the non-renewal of ATV's licence would make room for newcomers interested in operating a TV station.

- ATV had been having the lower hand for a long time, and failed to show determination to improve its performance. It had become a broadcaster that kept showing the same programmes and with an audience rating close to zero, which was a wastage of the precious spectrums. Members of the public were disappointed that having given ample opportunities to ATV to improve its performance over the years, ATV had done nothing other than producing some lousy programmes and repeating old programmes. Many mistakes were found in news and subtitles and commentary programmes were loaded with subjective views. All these made the audience angry. ATV's viewership was low but the station refused to recognise this, reflecting its lack of credibility.
- ATV offered few programme choices with no self productions. It broadcast acquired programmes most of the time and kept re-running them. It was not sincere in running the business. The lack of local production failed to enhance the Hong Kong television industry and creative industry. It did not have enough resources, failed to pay the wages to its staff on time and lost talents and thus could not produce good programmes. ATV failed to keep abreast of the times and only felt nostalgic about its good old days. It did not care about Hong Kong people's feelings and failed to meet their expectations.
- Both entertainment and information programmes were of poor quality and biased, and failed to reflect the voice of the majority of Hong Kong people. Most of the programmes were low-budget productions. Its operation was not serious, and caused damage to Hong Kong's image as a world-class city.

- Some indicated that they had not watched ATV for many years. Its rating had remained extremely low and even zero in recent years, reflecting that ATV had no value at all. It was economically inefficient to spend so much space, manpower and material resources to serve such a small number of audiences.
- Some opined that ATV's reputation had been sullied by its very poor performance. Despite ATV's commitment to make necessary improvements and increase its investments after licence renewal, nobody would watch its programmes and it was difficult to regain confidence.
- ATV's programmes targeted the Mainland audience and failed to cater to the taste of Hong Kong people.
- ATV had repeatedly and seriously contravened the regulations. There were no signs of improvement or reform despite the imposition of financial penalties.
- Management of ATV was chaotic. There were deep divisions among major shareholders. ATV did not consider the interest of the viewers. In addition, ATV advertised for the Communist Party by broadcasting programmes which caused dislike of Hong Kong people. ATV did not pay regard to the core values of Hong Kong people, which was against the public interest.
- The lack of local productions on ATV hindered the opportunities, nurturing and development of TV production talents. This caused the local television industry to shrivel.

14.3 Specific recommendations in relation to ATV's licence renewal application:

Renewing ATV's Licence with Additional Conditions

- ATV could only have its licence renewed for 10 years with a review every 5 years. Conditions to be imposed upon licence renewal - programmes should primarily target Hong Kong viewers; programme genres should be more diversified instead of broadcasting talk shows only, duration and frequency of repeat programmes should be reduced.
- Some proposed to grant renewed licence to ATV for 3 years, on the condition that its performance should be subject to regular reviews so as to give more pressure to the TV station to improve its performance. If ATV failed to make reasonable improvement by 2018, the Government could refuse to renew its licence. On the contrary, if ATV could improve its services by 2018, the public should not oppose to the renewal of ATV's licence.
- It was recommended that the number of ATV's channels be reduced and the spectrum so vacated be allocated to incumbent and new operators. For instance, only Asia channel and World channel should be retained, or withdrawing spectrum assigned for broadcast of ATV Classic and re-transmitted channels.

Non-renewal of ATV's Licence

- Some suggested that ATV's licence should be withdrawn and put up for auction so as to promote competition. ATV's licence should be allocated to more qualified company which had a genuine interest in the television industry.

- To address concern that non-renewal of ATV's licence would lead to staff retrenchment, new operators should be required under their licences to hire former staff of ATV as far as possible. Other suggested that ATV's staff and artistes could find work opportunities in some other related industries.
- Since ATV kept repeating programmes each day, it should be granted a pay TV licence instead as audience who wanted to watch its programmes would not mind supporting ATV by paying subscription fees.

15 Other Broadcasting Issues

(a) Broadcasting Spectrum

- 15.1 It was suggested that spectrum should be allocated by auction as it is a scarce public asset and should be properly utilised. It was unacceptable for the two existing free TV stations to continue having access to spectrum, without having to pay any utilization fees on an exclusive basis.
- 15.2 Free TV stations should not make use of spectrum for direct retransmission of other television channels. They also should not resell or authorise others to use their spectrum.
- 15.3 Regarding the allocation of spectrum to the two free TV licence applicants that had been granted approval in principle as well as the incumbent free TV stations, some organisations put forward two proposals. First, all stations could broadcast its basic channels (namely Chinese channel and English channel) through public airwaves, while additional channels have to be broadcast via other platforms. Second, after a fair allocation of spectrum to each TV station for the broadcast of their basic channels, interested operators could bid for the remaining spectrum. Moreover, the TV stations should pay a reasonable price for the use of spectrum. The CA could engage a consultant to work out proposals for consideration of the Government and the public.

(b) Issues Related to Review of Licences

- 15.4 When making decision on the licence renewal, the authority should consider the following factors:
- Spectrum is the public resource of Hong Kong people. Their expectation, opinions and choices should be taken into account when making the decision on the licence renewal.

- The authority should consider the impact of the two free stations on the TV market, for example, whether they could promote a competitive landscape in the market.
- Due to the lack of competition in the free TV market, the quality of the free TV production had deteriorated. Hence, programme quality should be included as an assessment criterion for licence renewal exercise. To ensure the efficient use of public resources, if the performance of incumbent TV stations was unsatisfactory, the licence renewal application should be rejected so that the licence and spectrum could be made available for other potential broadcasters.
- The assessment criteria adopted and arguments presented by the Government when processing the free TV licences of Hong Kong Television Limited, Fantastic Television Limited and Hong Kong Television Entertainment Company Limited should be equally applied to the licence renewal applications of the two incumbent TV stations.
- When assessing the licence renewal applications, complaints against the two free TV stations in the past should be taken into consideration since they reflected public opinions. However there were also comments that complaints should not be considered.
- The renewal of licences should be processed by the CA independently, without taking into account any opinion surveys.
- The CA's assessment of the licence renewal applications should be based on factors such as programme quality, proportion of local production, how often programmes were repeated, revenue and viewership of the TV stations, etc.

- Duration of licence should be shortened from 12 years to 10 years.
- The CA should disregard all complaints and sanctions linked to political campaign against ATV when it considered its licence renewal applications. This could alleviate public concerns about whether pan-democrats would be given favouritism.

15.5 Regular review should be conducted on TV stations' scheduling of programmes, and whether marketing promotions were exaggerated, untrue and contrary to audience's expectations. A scoring system should be established for the next licence renewal exercise.

15.6 Some members of the public opined that ownership of TV channels of each station should be reviewed once every two years with viewership being the assessment criterion. The operator of the channel with the lowest viewership should surrender the channel to the operator with the highest viewership.

15.7 The Government should stipulate the licence requirements before considering the licence renewal application of the two existing free TV stations. The Government should then ask the free TV stations to submit proposals and investment budgets in accordance with the new requirements so as to assess whether they were capable of meeting the requirements of the new licences. The Government could then decide whether to renew their licences accordingly.

16 Other Comments and Suggestions

- 16.1 It had been a practice for fund-raising programmes of free TV stations to support two or three charitable organisations. Other non-profit-making charitable organisations did not receive the same support, which seemed unfair and unjust. Charity funds should be established to allow applications from all non-profit-making organisations in Hong Kong.
- 16.2 Free TV stations should make use of some of their profits to discharge their corporate social responsibility, e.g. the profits should be used to encourage the youth to join the industry and should be donated to charitable bodies.
- 16.3 Free TV stations should increase their promos.
- 16.4 Free TV stations should increase programmes with NICAM.
- 16.5 Free TV stations should make use of their digital channels to provide audio description services to the visually impaired.
- 16.6 It was suggested that a 6 to 9-minute programme trailer of the day should be broadcast between 5:30 a.m. and 6:30 a.m. every day, and that a weekly programme guide of about 15 minutes should be broadcast on every Sunday morning.
- 16.7 There were only a few samples included in the current survey on television viewers, making advertisers unable to seek the target audience accurately and effectively.
- 16.8 ATV often claimed that the audience rating between ATV and TVB was in the ratio of 4:6, which was unbelievable.

- 16.9 ATV’s production of the programme “Cheers Hong Kong” was ironic as ATV only broadcast acquired programmes and did not produce its own drama series, which made its staff in the drama section could not make a living.
- 16.10 Some were dissatisfied that ATV’s management denied facts at the public hearings, and accused the public who made criticism of ATV of staging a political attack.
- 16.11 No editing should be made to the programmes replayed on ATV Classic channel. They should be broadcast in their original style. Apart from screen repair, no modification should be made to the trailer and credits of the dramas. Online watching and replays should be arranged and the arrangement of programme replays should be announced in advance on the official website as well. Besides, the logo of ATV did not look good, it did not carry a sense of gentleness and should be improved. It was recommended that ATV should reduce the number of station promos.
- 16.12 Some were dissatisfied that ATV’s did not have artistes of its own.
- 16.13 ATV’s low audience rating was due to habitual ratings. It was a unique phenomenon in Hong Kong.
- 16.14 ATV’s hosts looked very old. It was difficult for them to attract the youth.
- 16.15 It was suggested that ATV or its relevant bodies like the “Asia Club” should proactively promote a younger image for ATV in schools, colleges, universities and youth centres, and should organise activities to enhance the public’s understanding of ATV.