DAILY INFORMATION BULLETIN

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Contents **Page No.**

Govt responds to Consumer Council's recommendations on broadcasting .. 1

Proposal to issue two VOD licences approved 3

Bill to enhance COMAC's operation 5

LRC issues report on hearsay rules in civil proceedings 6

Exhibition to promote employment of the disabled 7

Deadline for software design competition 8

Clubhouse operator fined for illegal alterations 9

Hong Kong Monetary Authority tender results 10

Hong Kong Monetary Authority money market operations 11

Govt responds to Consumer Council's recommendations on broadcasting

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The Government today (Tuesday) issued its response to the Consumer Council's report on competition in the broadcasting environment which was published in January this year.

Describing the report a valuable and timely contribution to the debate on broadcasting policy, the Secretary for Broadcasting, Culture and Sport, Mr Chau Tak-hay, said the Government had accepted many of the ideas put forward. In particular, it has accepted the Council's recommendation to review the royalties charged to ATV and TVB.

"The Government will be putting proposals to the Legislative Council to cut the top rate from 10 per cent to nine per cent, and to restructure the marginal bands," he said.

"On this basis, TVB's 1995/96 royalty payments would have been reduced by almost $20 million, while those of ATV would have fallen by about $45 million," Mr Chau said.

"As part of the same package, the Government will be re-introducing full-cost recovery licence fees, to be implemented in full as soon as the reduced royalty rates come into force," he added.

Responding to the Council's recommendation for a new branch encompassing responsibility for both broadcasting and telecommunications, Mr Chau said the Government fully recognised the significance of converging technologies and the importance of keeping policy abreast of technological and market developments.

However, he pointed out that both the Broadcasting, Culture and Sport Branch and the Broadcasting Authority (BA) worked closely with the Economic Services Branch and the Telecommunications Authority, which was represented on the Authority.

"There may be advantage in future in combining policy responsibility for broadcasting and telecommunications," he said. "But broadcasters are only one group of telecommunications users, and the needs of other groups should also be borne in mind.

"For the time being, therefore, we think that there is some merit in keeping these policy responsibilities separate. Nonetheless, given the rapid changes in broadcasting markets and technologies, we shall keep the matter under review".

The Government has also endorsed the Council's view that newspaper owners, their associates and controllers should be disqualified from holding television licences. It plans to bring forward legislation to this effect in the next Legislative Council session.

Mr Chau further disclosed that the Government had proposed to lift the specific ban on Hong Kong Telecom (HKT) participating in the pay TV market and to allow it to bid for any licence under the Television Ordinance. However, to avoid the risk the HKT might dominate the market for the supply of television services through a fixed wire network, the Government intends to maintain the existing ban on HKT exercising control over the first pay television licensee.

On public participation in the work of the Broadcasting Authority (BA), Mr Chau noted that some 600 members of the public were already serving on various television advisory committees and panels. "We believe that the BA already has access to a wide range of relevant experience and expertise, while facilitating the efficient despatch of business," he said.

The Authority has held a number of public hearings on licence renewals in recent years and is currently looking at the scope for opening meetings of its Working Group on Codes of Practice to the public.

As regards the Council's call for the free competition clauses contained in broadcasting licences to be strengthened and given statutory backing, the Secretary said no problems had yet been encountered with the existing provisions, which were very wide-ranging. He pointed out that the Broadcasting Authority already had a variety of sanctions to enforce the provisions and he did not consider that there was a need for legislation unless a practical need could be demonstrated.

On public broadcasting issues, Mr Chau maintained that the Government did not see any justification for changing its decision last year not to take up channels on Wharf Cable for public broadcasting and community access services.

He said it would be difficult to justify the cost, adding that there were already many avenues for community groups and individuals to air their views.

"Moreover, public access channels elsewhere have come to be dominated by a few groups, and raise difficult regulatory issues," he added.

End

Proposal to issue two VOD licences approved

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The Governor-in-Council has endorsed proposals to issue two video on demand (VOD) programme service licences, but not to issue any additional pay television licences pending a review of the TV environment in 1998.

The proposals were made by the Broadcasting, Culture and Sport Branch following public consultation earlier in the year on the regulation of VOD and the deregulation of the pay TV market.

Announcing the endorsement today (Tuesday), the Secretary for Broadcasting, Culture and Sport, Mr Chau Tak-hay, said the Government's preference would have been to deregulate the television market as soon and as thoroughly as possible.

"But we felt constrained to take account of the present circumstances of the television market," he said.

"Allowing additional pay TV operations could render the present licensee financially unviable, and that would not be in the best interests of Hong Kong in general, or subscribers in particular."

The two VOD programme service licences will be offered once the Television Ordinance has been amended to provide a framework for television services using VOD technology. The Government aims to introduce an amendment bill to the Legislative Council in the next session.

Mr Chau believed that it was fair to regulate this new means of delivering television service in the same way as other television services, that was, they would be subject to the same restrictions on ownership and control, and they would also pay royalties in respect of subscription and advertising revenues.

The Broadcasting Authority will devise new codes of practice for VOD programme services which can be more flexible than other codes, where this is warranted.

The Telecommunications Authority will be empowered to determine the terms and conditions of interconnection between VOD programme service licensees and the networks of fixed telecommunication network licensees.

Those on-line information and multi-media services which do not constitute television programmes will not be regulated under the Television Ordinance.

Mr Chau also disclosed that following careful consideration of the points made by ATV and TVB, the Government was prepared to reduce the rate of royalties charged on advertising revenue to the two companies from 10 per cent to nine per cent, with adjustments to the marginal bands that will be particularly beneficial to ATV.

"On this basis, TVB's 1995-96 royalty payments would have been reduced by almost $20 million, while those of ATV would have fallen by about $45 million," Mr Chau said.

"The proposals will be put to the Legislative Council as part of a package, including the re-introduction of full-cost fees, immediately after the reduced royalties come into force."

As regards the restrictions on the ownership and control of licensees under the Television Ordinance, including VOD programme service licensees, the Secretary said these would remain basically unchanged.

The present categories of "disqualified persons" under the Television Ordinance will be retained, although companies transmitting sound or television material will be allowed to apply for any licence under the ordinance, provided they are not otherwise disqualified.

This will allow telecommunications companies and regional satellite broadcasters to bid for licences; by the same token, domestic licensees will no longer be excluded from exercising control of regional satellite broadcasters.

Mr Chau also said the specific restriction on Hong Kong Telecom holding a pay TV licence would be lifted, but it would not be allowed to gain control of the existing pay TV licensee.

Newspaper owners will be added to the list of disqualified persons, although those who would become disqualified in respect of shareholdings as at March 26 (when the Government's proposals were published) will be exempted from this restriction, provided that they have not increased their holdings after that date.

Both the initial pay TV licensee and any future pay TV licensees would be permitted to carry advertising, and would pay royalty on advertising revenue, Mr Chau added.

End

Bill to enhance COMAC's operation

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The Governor-in-Council today (Tuesday) endorsed the introduction of the Commissioner for Administrative Complaints (Amendment) Bill 1996 into the Legislative Council on July 10.

The Bill aims to enhance the operation of the Commissioner for Administrative Complaints (COMAC) and to provide him with greater flexibility in procedural matters.

"Giving COMAC greater flexibility in procedural matters will enable him to deal with simple complaints in a more efficient manner," a government spokesman said.

The Bill also seeks to bring the Police, the Independent Commission Against Corruption, and the Secretariats of the Independent Police Complaints Council and the Public Service Commission within COMAC's purview in the exercise of their administrative functions in relation to the Code on Access to Information so that COMAC can investigate complaints of non-compliance with the Code against these bodies.

"A common independent review body for all government departments will enable complaints under the Code on Access to Information to be handled more efficiently and consistently," the spokesman added.

The Code on Access to Information is to be extended throughout the Administration by the end of the year.

The Bill also proposes that COMAC's English title be changed to "The Ombudsman".

The spokesman said COMAC considered that this would facilitate his contacts with his overseas counterparts. No change is proposed to his Chinese title.

End

LRC issues report on hearsay rules in civil proceedings

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The Law Reform Commission today (Tuesday) issued a report which recommends the abolition of the hearsay rules in civil proceedings.

At present, hearsay evidence is generally excluded from Hong Kong courts, subject to certain exceptions.

The Secretary of the Commission, Mr Stuart Stoker, said today: "Hearsay evidence essentially means second-hand evidence. It is hearsay when a witness testifies to a particular fact on the basis of what he was told by another. Because this type of evidence was generally thought to be less reliable than first-hand evidence, the law generally excluded it."

Mr Stoker said that over time the exceptions to the hearsay rule had become more complex and unclear and there had been considerable criticism of the rule. He said the current trend in most common law jurisdictions was to move towards a system which admitted hearsay evidence but allowed the court to make up its own mind as to the weight to be attached to it.

The report issued today contains the Commission's final recommendations on the subject and reflects the comments made in response to a consultation paper issued in August 1992. Mr Stoker said there had been widespread support for the abolition of the hearsay rule.

The main recommendations in the report are:-

(1) Subject to safeguards, all hearsay evidence, whether first-hand or multiple hearsay, should be admitted in all civil proceedings.

(2) There should be no special provision for parties to a civil action to give notice of their intention to call hearsay evidence at the trial, and the issue as to whether such a notice should be given should be left to the informal arrangement between the parties.

(3) There should be power to call and cross-examine a witness whose evidence has been tendered as hearsay by another party.

(4) Statutory guidelines should be laid down to assist the courts in assessing the weight to be attached to hearsay evidence.

(5) Documents, including those stored by computer, which form part of the records of a business or public authority, should be admissible subject to safeguards.

(6) The absence of an entry can be proved by the oral evidence or affidavit of an officer of the business or public authority to which the records belong.

Mr Stoker said the reform proposals will apply to all civil proceedings to which the strict rules of evidence apply. He said the Commission's recommendations will soon be passed to the Administration for consideration.

End

Exhibition to promote employment of the disabled

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The Labour Department's Selective Placement Division (SPD) will hold a three-day exhibition from Friday (July 5) in Tsim Sha Tsui to promote employment opportunities for people with a disability.

There will be video shows and exhibition panels introducing the various disabilities, the work of the disabled and the services provided by SPD.

Moreover, an enquiry counter will be set up to answer public enquiries and distribute booklets and leaflets.

Employers who wish to recruit disabled workers can give details of their vacancies to the counter staff and disabled job-seekers can also leave behind their contacts for registration arrangement.

A quiz game with souvenirs will be held during the exhibition to enhance public understanding of the working abilities of people with a disability.

The exhibition will be held from 10 am to 6 pm each day at the Western Gallery B, New World Centre, 20 Salisbury Road. Admission is free.

End

Deadline for software design competition

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The Department of Health today (Tuesday) reminded students and members of the public that the computer game software design competition organised by the Department to promote the cultivation of healthy lifestyles would close on July 8 (Monday).

Attractive prizes will be given to winners of the two divisions, namely the student division and the open division.

The champion of each division will receive a laptop computer, while the first and second runners-up will be presented prizes worth about $10,000 and $5,000 respectively.

Two special prizes will also be given for the most educational and the most creative entries. Each winner will get a cash coupon of $5,000.

Furthermore, all participating units, whether individual or group, will receive a souvenir.

"Entries for the competition should be able to bring out messages on the importance of healthy life practices and the methods of diseases prevention in general.

"They will be judged on their effectiveness in bringing out the messages, their attractiveness, creativity and visual effects, and whether they are easy to use and be understood by the general public.

"Some of them may be selected for public display at the Department's Student Health Service Centres and Health Education Centres," a spokesman for the Department said.

Participants are free to make use of animation cartoon stories, still or motion image games, or questions and answers format in designing their entries.

Application forms for the competition can be obtained from secondary schools and government general out-patient clinics.

The completed form, together with the entry, must be submitted to the Student Health Service Division of the Department of Health, fourth floor, Lam Tin Polyclinic, 99 Kai Tin Road, Kwun Tong, by hand or by mail on or before next Monday. Enquiries can be made on 2349 2772.

The competition is organised jointly with the Hong Kong Computer Society and the Hong Kong Association for Computer Education, and is sponsored by the LECCO Consultants Limited.

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Clubhouse operator fined for illegal alterations

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A clubhouse operator was fined $30,000 by Eastern Magistracy today (Tuesday) after pleading guilty to changing the layout of a Wan Chai premises without prior permission from the Home Affairs Department's Licensing Authority (LA).

The court heard that when LA officers inspected the clubhouse at Flat 3, Block B, first floor, Johnston Building, 86-90 Johnston Road, in November last year, they found it had been expanded to the two adjoining flats without the Authority's prior approval.

As the renovation works had contravened the conditions of the certificate of exemption for the premises, the operator was subsequently charged under Sections 5 and 21 of the Clubs (Safety of Premises) Ordinance.

A spokesman for the department reminded clubhouse operators that they should observe the conditions stipulated in their licences or certificates of exemption and that the Government takes a serious view of cases in which the safety of guests is compromised.

Enforcement action will continue to be taken to ensure all clubhouses meet the fire and building safety standards, he said.

End

Hong Kong Monetary Authority tender results

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Tender date	2 Jul 96	2 Jul 96
Paper on offer	EF bills	EF bills
Issue number	Q627	H668
Issue date	3 Jul 96	3 Jul 96
Maturity date	2 Oct 96	2 Jan 97
Coupon	-	-
Amount applied	HK$5,640 MN	HK$3,707 MN
Amount allotted	HK$1,500 MN	HK$800 MN
Average yield accepted	5.21 PCT	5.42 PCT
Highest yield accepted	5.22 PCT	5.42 PCT
Pro rata ratio	About 77 PCT	About 91 PCT
Average tender yield	5.23 PCT	5.43 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning July 8, 1996 -

Tender date	9 Jul 96	9 Jul 96
Paper on offer	EF bills	EF bills
Issue number	Q628	Y691
Issue date	10 Jul 96	10 Jul 96
Maturity date	9 Oct 96	9 Jul 97
Tenor	91 days	364 days
Amount on offer	HK$1,500+300 MN	HK$500+150 MN

End

Hong Kong Monetary Authority money market operations

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	$ million	Time (hours)	Cumulative change ($million)
Opening balance in the account	2,785	0930	-825
Closing balance in the account	2,004	1000	-825
Change attributable to :		1100	-825
Money market activity	-834	1200	-826
LAF today	+53	1500	-826
		1600	-834

LAF rate 4.00% bid/6.00% offer TWI 124.5 *+0.1* 2.7.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.17	2 years	2805	6.30	100.22	6.28
1 month	5.12	3 years	3904	6.30	99.33	6.67
3 months	5.21	5 years	5106	7.23	100.28	7.29
6 months	5.41	7 years	7305	7.60	100.71	7.60
12 months	5.74	5 years	M502	7.30	99.87	7.47

Total turnover of EF bills and notes - $12,374 million

Closed July 2, 1996

End