



25 May 2006

By fax (3115 1334) and by post

Our Ref.: C/EPLM, M41153

Mr. Raymond R. Wong
Chairman
Committee on Review of Public Service Broadcasting
38/F, Revenue Tower
5 Gloucester Road
Wanchai, Hong Kong

Dear Mr. Wong,

Committee on Review of Public Service Broadcasting

Thank you for your letter of 28 February 2006 requesting comments from the Hong Kong Institute of Certified Public Accountants (“the Institute”) on the future development of public service broadcasting in Hong Kong and, in particular, the questions annexed to your letter. The views of the Institute are set out below in the sequence in which the questions appear in the Annex to your letter.

1. *What are the purposes and values or public service mandate of a public service broadcaster (“PSB”) in Hong Kong?*

The Institute is of the view that the purposes and values, or the public service mandate, of the PSB should include the universality of services, diversity of programming, provision for minority audiences, and cultural and educational enlightenment. This should also include programmes on the subject of professional services to educate the public and improve understanding of the professions’ role in Hong Kong’s services-based economy and their value and contribution to business and to the public.

2. *How should a PSB in Hong Kong differentiate itself from commercial broadcasters?*

A PSB should, as far as possible, be free from, and insulated from, political and commercial influences.

3. *Where should the resources for a PSB in Hong Kong come from?*

In order to be insulated from political and commercial influences, a PSB should not seek or receive endorsements or sponsorships from commercial

or political organisations. The resources required for its operation should include income derived by way of, e.g., sales and licensing fees from its programmes and publications and levies of a similar nature, rather than advertising fees. A study should also be undertaken into how similar public service broadcasters are funded in other jurisdictions.

4. *What should be the guiding principles for public service broadcasting programming in Hong Kong?*

The guiding principles for public service broadcasting programming in Hong Kong should include editorial impartiality and integrity, high standards of programming, good governance, ethical practices and safeguarding of the public interest. See also our response to question 1.

5. *Who should monitor the operation of a PSB in Hong Kong and how?*

The operation of a PSB in Hong Kong should be monitored by an independent oversight board, which would be responsible for monitoring policy matters, such as programming policy and funding requirements, as well as for evaluating the performance of the management.

To ensure that the PSB remains free from political and commercial influences, the composition of the oversight board should be considered very carefully. It should reflect a broad cross-section of the community and include as members, persons from different backgrounds, with diverse expertise and experience, including professionals. If requested, the Institute would be willing to assist. The oversight board should also include people with broadcasting experience and, in this regard, consideration should be given to appointing one or more members with experience of an overseas PSB of the highest standards and reputation.

6. *How should we assess the performance of a PSB in Hong Kong and its fulfilment of public service mandate?*

The financial performance of the PSB should be measured according to agreed benchmarks. To enhance transparency and accountability, the PSB should adopt clear and consistent accounting policies and standards and be subject to proper auditing. The PSB should publish a report containing inter alia its financial statements at least annually.

The oversight board should ensure that the PSB fulfils its public service mandate and is accountable for its financial and non-financial performance.



As the statutory licensing body for accountants in Hong Kong, responsible for the regulation of the accountancy profession, the Institute has long been advocating good governance and the principles of objectivity, accountability and ethical practices. The Institute published a guide on public sector corporate governance in May 2004, entitled [Corporate Governance for Public Bodies: A Basic Framework](#). This may be of interest to the Committee on Review of Public Service Broadcasting and, for reference, a copy is enclosed with this submission.

As regards programming, the PSB should be subject to similar programme standards and guidelines as apply to the commercial broadcasters.

7. How should a PSB in Hong Kong be accountable to the public?

The PSB should be accountable to the public through the oversight board.

8. What arrangements should be made to involve the public in ensuring the effective operation of a/the PSB in Hong Kong and fulfilment of its public service mandate?

The oversight board would be the channel through which the public could be involved in ensuring the effective operation of the PSB and the fulfilment of its public service mandate. The oversight board should operate in an open and transparent manner. It should ensure good channels of communication with the public and seek feedback from the public as appropriate.

We note that you find our comments above to be constructive. If you have any questions in relation to the above, please feel free to contact me at peter@hkicpa.org.hk or on 2287 7084.

Yours sincerely,

A handwritten signature in black ink that reads 'Peter Tisman'. The signature is written in a cursive, flowing style.

Peter Tisman
Director, Specialist Practices

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Encl.