For discussion
on 23 May 2001

EC(2001-02)5

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 70 – IMMIGRATION DEPARTMENT
Subhead 001 Salaries

Members are invited to recommend to Finance Committee –

(a) the creation of the following supernumerary posts in the Immigration Department for the period up to 31 October 2003 –

1 Deputy Director of Immigration
(GDS(C)3) ($127,900 - $135,550)

1 Chief Systems Manager
(D1) ($98,250 - $104,250); and

(b) an increase in the ceiling placed on the total notional annual mid-point salary value of all non-directorate posts in the permanent establishment of the Immigration Department in 2001-02 from $1,666,747,000 by $21,110,370 to $1,687,857,370 for creating 42 non-directorate posts to form a dedicated project team to implement the Hong Kong Special Administrative Region Identity Card Project.

/PROBLEM .....

PROBLEM

The Director of Immigration (D of Imm) requires dedicated support at the directorate level to lead, plan and implement the new Hong Kong Special Administrative Region (HKSAR) Identity Card (ID Card) Project, and to ensure the smooth launching of a region-wide ID card replacement exercise. In addition, D of Imm needs to set up a project team to support the implementation of the ID Card Project. However, as approval for the HKSAR ID Card Project was still awaited at the time when the 2001-02 Estimates was prepared, we did not include in the 2001-02 Estimates the necessary notional annual mid-point salary (NAMS) value in the establishment ceiling of the Immigration Department (ImmD) for the creation of the 42 non-directorate posts required in 2001-02 for the project team.

PROPOSAL

2. D of Imm, with the support of the Secretary for Security and the Director of Information Technology Services (DITS), proposes -

(a) to create two supernumerary posts of one Deputy Director of Immigration (DD) (GDS(C)3) and one Chief Systems Manager (CSM) (D1) for the period up to 31 October 2003; and

(b) to increase the ceiling placed on the total NAMS value of all non-directorate posts in the permanent establishment of ImmD in 2001-02 from $1,666,747,000 by $21,110,370 to $1,687,857,370 for creating 42 non-directorate posts.

JUSTIFICATION

Implementation of the ID Card Project

3. At its meeting held on 9 March 2001, the Finance Committee (FC) approved a new commitment of $747,037,000 for implementing the first phase of the HKSAR ID Card Project. As the computer system supporting the issue of the existing ID cards will become obsolete by the end of 2002, the schedule for implementation of the new ID Card Project as set out at Enclosure 1 is very tight. Within two years' time, we must complete work in the following four major areas -

Encl. 1

(a) Procurement and development of the new smart ID card and its supporting computer system

We need to issue tenders and invite proposals on the new ID card and the supporting computer system. After the award of contracts, we will have to procure the necessary hardware, software, implementation services and smart cards from the successful vendors. Thereafter, we will start building the new system. The process will involve designing a card issuing and personalisation system from scratch, integrating the different components together and ensuring that they are fully compatible with each other, developing the new system, building a secure network, fine-tuning the programs to ensure that they are bug-free, preparing test data and conducting extensive user acceptance tests (which include load tests, card performance and the matching of thumb-prints). It is expected that the new system will be capable of producing and personalising at least 8 000 ID cards per day and will enable the case officers to process ID card applications on screen. In addition, the new system must be able to support the imaging technology, as ImmD will conduct in parallel a large scale record conversion exercise whereby the historic ID card application records kept in microfilms and the paper index cards will be converted into digital form to facilitate on-line record checks and to reduce the processing time.

(b) Working out the procedures and code of practice

To tie in with the new work-flow and new mode of handling ID card applications, we need to work out an entirely new set of procedures for all the Registration of Persons (ROP) offices, the card production centre as well as the New Identity Card Issuing Offices (NICIOs), to ensure that the desired security and service levels are met. Furthermore, to enhance the protection of data privacy, we will work out jointly with the Office of the Privacy Commissioner for Personal Data a code of practice for ImmD staff to follow.

(c) Planning a region-wide ID card replacement exercise for 6.8 million residents

Planning the replacement of 6.8 million ID cards in an orderly and controlled manner is a mammoth and complicated task. It will involve the setting up of nine NICIOs, employment and training of over 800 temporary staff, acquisition of necessary resources, and extensive publicity work. In the past two ID card replacement exercises commencing in 1983 and 1987, 4.45 million and 4.8 million ID cards were replaced in 3.7 years and 4.5 years respectively. For the current exercise, we plan to replace 6.8 million ID cards in four

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years' time. Amidst the heightened public expectation for efficient and quality service, the arrangements will have to be made in a very user-friendly manner so that the public at large will not find it inconvenient to replace their ID cards.

(d) Completing the necessary legislative amendments

Legislative amendments basically cover three major areas, i.e., introduction of a new smart ID card, enhanced measures to protect data security and data privacy, and logistic arrangements necessary for the launching of a region-wide ID card replacement exercise (e.g. the power to call upon people of specified age groups to replace their ID cards, power to declare old ID cards invalid, etc.). We undertake to submit all the legislative amendments to the Legislative Council before the end of 2001.

Need to create a supernumerary project-based DD post

4. The tasks listed above require the leadership, direction and attention of an officer at senior level at both the preparatory and execution stages. Any slippage in the preparation for and execution of these tasks or oversight of development in these areas will adversely affect the launching of the new ID card and the timely replacement of ageing computer systems. Since the preparation for and execution of these tasks require cross-departmental liaison and co-operation at the DD level, they have to be handled by an officer at an appropriate rank. Having regard to the magnitude and complexity of the ID Card Project and the tight schedule for implementation, D of Imm considers there is a functional need to continue to have a dedicated officer at DD level to steer and monitor the implementation of the project. At present, the planning and preparatory work of the ID Card Project is led by the incumbent of DD (Special Assignment) (DD(SA)) post which is due to lapse on 1 July 2001. It is necessary to replace the DD(SA) post with a project-based DD post, entitled DD (Identity Card) (DD(ID)), so that the latter can continue to lead and direct the project until the successful launching of the region-wide ID card replacement exercise. Taking into account the need to conduct a post-implementation review of the system from August 2003 to end October 2003 to identify areas which require improvement or enhancement, D of Imm proposes to create the DD(ID) post on a supernumerary basis for the period up to 31 October 2003. The supernumerary DD(SA) post will lapse once the DD(ID) post is created.

5. DD(ID) will continue with the tasks of DD(SA). He will chair a Steering Committee comprising senior officials of ImmD, policy bureaux (e.g. the Security Bureau and the Information Technology and Broadcasting Bureau) and

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other expert departments (e.g. the Information Technology Services Department (ITSD) and the Independent Commission Against Corruption), to direct and oversee the implementation of the ID Card Project. He will also chair an Inter-departmental Working Group comprising senior officials of various departments (e.g. Hong Kong Police Force, the Government Laboratory and the Department of Justice) in order to co-ordinate views and work out implementation details on the new ID card. Besides, he needs to maintain close liaison with the Office of the Privacy Commissioner for Personal Data to ensure that privacy issues will be adequately addressed. To obtain up-to-date information on the latest technology and smart card projects around the world, DD(ID) will need to maintain close contact with relevant overseas authorities which are known to have implemented or are about to implement similar projects. Furthermore, he will lead a project team comprising 78 members, 48 of whom (including five temporary staff) will be required at the initial stage. We set out at Enclosure 2 an organisation chart of the project team.

Encl. 2

6. At present, ImmD has only one permanent DD post, designated as DD(Administration and Operations) (DD(AO)). The incumbent commands six Branches, each headed by an Assistant Director of Immigration (GDS(C)2). In addition, he supervises the Departmental Management Division headed by the Departmental Secretary at Principal Executive Officer (D1) level. DD(AO) is already fully engaged in managing and directing all aspects of the Department's resources and operations. He has no spare capacity to take on the additional workload generated by the new ID Card Project which will require the full and undivided attention of an officer of the same rank.

7. The organisation chart of ImmD and the job description for the DD(ID) post are at Enclosures 3 and 4 respectively.

Encls.3-4

Need to create a supernumerary CSM post

8. The implementation of the new ID Card Project entails a lot of work at the information technology (IT) management level. As the supporting system will comprise a number of sub-systems using different technologies, it is unlikely that a single company can supply or develop all the sub-systems. We therefore need to have well-planned and co-ordinated integration to bring all the different components together. This will require careful planning of project and system managements, including problem resolution and adjudication on technical issues in case of disputes between different vendors. To ensure that the new system will serve its purpose and fully meet all the stated requirements, we also need to carry out thorough and extensive user acceptance tests. Given the complexity and

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strategic importance of the system, we consider it necessary to have an IT professional with rich expert knowledge and experience at directorate (D1) level to supervise the tendering, the system design and development as well as user acceptance tests.

9. At present, a CSM in ITSD is providing technical support to ImmD on a part-time basis. He is already overstretched as he has to look after the IT activities of many other departments and bureaux. He therefore cannot devote the time needed for the new ID Card Project. Both D of Imm and DITS consider that the complexity of the new ID Card Project and the very high security and data protection requirements of the new supporting system should justify the creation of a dedicated CSM post. Incumbent of the post, designated as CSM(Identity Card) (CSM(ID)), is best placed to assist DD(ID) in the preparation of tender documents, evaluation of the tender proposals, and selection of the IT vendor. He will advise DD(ID) on matters concerning IT standards, technologies, infrastructure and IT resource deployment issues. He is also expected to take the lead in planning and co-ordinating IT programmes which have linkage or interface with other computer systems of ImmD. More importantly, he will assist DD(ID) to oversee and give directives on all the technical development work, especially the integration of the various sub-systems.

10. To provide DD(ID) with the necessary technical advice and support to implement the new ID card system and to conduct a post-implementation review from August 2003 to end October 2003, the proposed CSM(ID) post will be required on a supernumerary basis throughout the tenure of the DD(ID) post, i.e. for the period up to 31 October 2003. The job description of CSM(ID) is at Enclosure 5. Since the new ID card system will be one of the major systems of ImmD's main information system involving sensitive personal data of all Hong Kong residents, it is not desirable from the security point of view to engage a non-civil service contract officer to lead and control the planning and implementation of the technical system. Furthermore, as the new ID card will provide the infrastructure for other government applications to ride on, the post cannot be held by a contract officer who lacks the necessary knowledge and experience in Government's computer systems and architecture.

Encl. 5

Non-directorate posts

11. D of Imm will set up a project team in 2001-02 to support DD(ID) in the implementation of the ID Card Project. The team will be responsible for working with the vendors on system design and development of various sub-systems for the personalisation of the smart ID cards, card engraving, card management, application management and record management of the future

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system. It will also be responsible for the infrastructure support, site preparation and installation support, computer operations support, performing user acceptance tests, drafting legislative amendments and procedural changes, preparing documentation and arranging training and trial runs for the new computer system. Initially, the project team will comprise 42 non-directorate staff and five temporary staff, in addition to the proposed CSM(ID) post. An additional 30 non-directorate staff will be required when the implementation of the project is in full swing. In terms of posts required in 2001-02, this involves the creation of 42 non-directorate
Encl. 6 posts with a total NAMS value of $21,110,370. We set out at Enclosure 6 details of these posts. As the latter have not been included in the 2001-02 Estimates, D of Imm proposes to increase the establishment ceiling of ImmD from $1,666,747,000 by $21,110,370 to $1,687,857,370 to enable the creation of these 42 non-directorate posts in 2001-02.

FINANCIAL IMPLICATIONS

12. The additional notional annual salary cost of the proposals at MID-POINT is -

	$	**No. of Posts**
Supernumerary DD post	1,580,400	1
Supernumerary CSM post	1,213,200	1
Non-directorate posts	21,110,370	42
Total	23,903,970	44

The additional full annual average staff cost of the proposals, including salaries and staff on-costs, is $40,192,000.

13. We have not included the provision in the 2001-02 Estimates to meet the cost of the proposals. Subject to Members' approval, we shall provide the necessary supplementary provision under delegated authority.

BACKGROUND INFORMATION

14. At its meeting held on 15 December 2000, FC approved vide EC(2000-01)17 the retention of the supernumerary DD(SA) post from 1 January 2001 to 30 June 2001 to continue to lead, plan and monitor all preparatory works required for the ID Card Project.

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15. On 9 March 2001, FC approved vide FCR(2000-01)82 a new commitment of $747,037,000 for implementing the first phase of the new ID Card Project. In the FC paper, we informed Members of our plan to pursue, through the Establishment Subcommittee (ESC) of FC, the creation of two supernumerary directorate posts of DD and CSM respectively, and an increase in the establishment ceiling of ImmD for creating 42 non-directorate posts in 2001-02.

16. The ID Card Project aims to introduce a new ID card and a new supporting computer system in 2003, to be followed by a region-wide ID card replacement exercise to be completed within four years. The new ID card will be in the form of a smart card and have the capacity to support multi-applications. The new smart ID card will employ the latest cryptographic technology to enhance the security of data in the chip. It will store the holder's key personal data and templates of his two thumbprints to facilitate the secure authentication of the cardholder's identity and to lay the infrastructure for ImmD to consider the introduction of an automated passenger clearance system at control points in future. The new computer system supporting the production and issue of the new ID card will be a very advanced and complex system comprising a number of sub-systems, including registration, card personalisation, card management, application management, key management and records management. To ensure the maximum protection of data, stringent privacy/security requirements will be imposed on the new ID card system.

CONSULTATION WITH LEGISLATIVE COUNCIL PANEL

17. In connection with the funding arrangements for the ID Card Project, we have kept the Panel on Security fully informed of the proposed creation of two supernumerary directorate posts and a dedicated project team comprising 42 non-directorate posts in 2001-02. Relevant papers were submitted to the Panel on Security in January and April 2001. The Panel on Security raised no objection for the Administration to proceed to seek the support of the ESC for the creation of the proposed project team.

CIVIL SERVICE BUREAU COMMENTS

18. The Administration has considered carefully other alternatives including redeployment bearing in mind the Government's commitment to contain the size of the civil service and the need for greater efficiency and effectiveness under the Enhanced Productivity Programme. We are satisfied that the proposals contained in this paper are functionally justified. The Civil Service Bureau considers the grading and ranking of the two proposed supernumerary directorate posts appropriate having regard to the level and scope of responsibility. At present, there are 12 directorate posts (including the supernumerary post of DD(SA)) in ImmD.

/**ADVICE** .....

ADVICE OF THE STANDING COMMITTEE ON DISCIPLINED SERVICES SALARIES AND CONDITIONS OF SERVICE AND THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

19. As we propose to create the DD and CSM posts on a supernumerary basis, we will report their creation, if approved, to the Standing Committee on Disciplined Services Salaries and Conditions of Service and the Standing Committee on Directorate Salaries and Conditions of Service respectively in accordance with the agreed procedure.

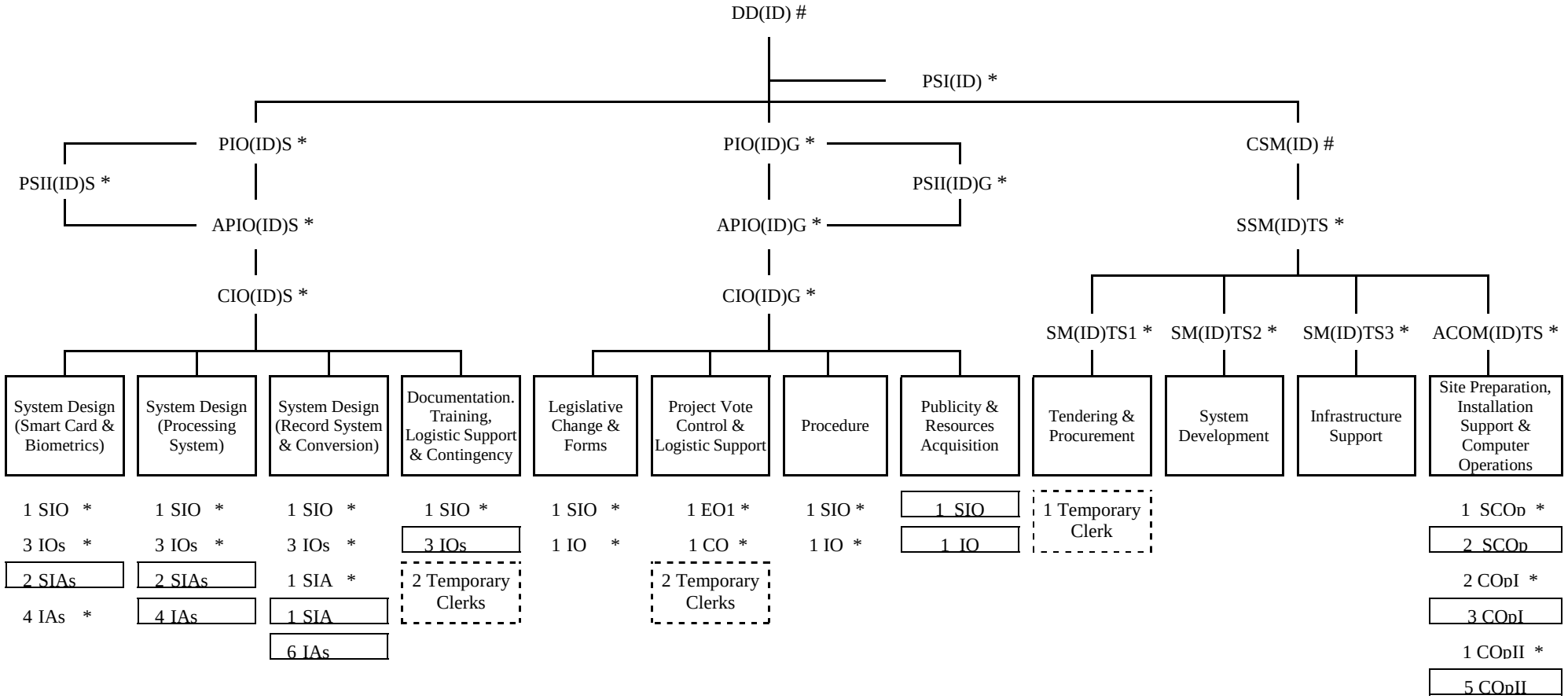
Security Bureau
May 2001

HKSAR Identity Card Project
Tentative Implementation Time-table

	Activity	Timing
(a)	Tendering for the supply of hardware, software and implementation services for the main computer system	March 2001 to October 2001
(b)	Legislative amendment – submission of a draft amendment bill to Legislative Council	End 2001
(c)	System design and development	October 2001 to October 2002
(d)	System testing	September 2002 to November 2002
(e)	User acceptance	November 2002 to April 2003
(f)	User training	February 2003 to July 2003
(g)	System implementation	May 2003
(h)	Identity Card Replacement Exercise	July 2003 to June 2007
(i)	Post-implementation review	August 2003 to October 2003

Enclosure 2 to EC(2001-02)5

Organisation Chart for the HKSAR Identity Card Project Team



Remarks : # Posts to be created in 2001-02 through ESC (Total = 2)

* Posts to be created in 2001-02 through Departmental Establishment Committee (DEC) (Total = 42)

Posts to be created in 2002-03 through DEC (Total = 30)

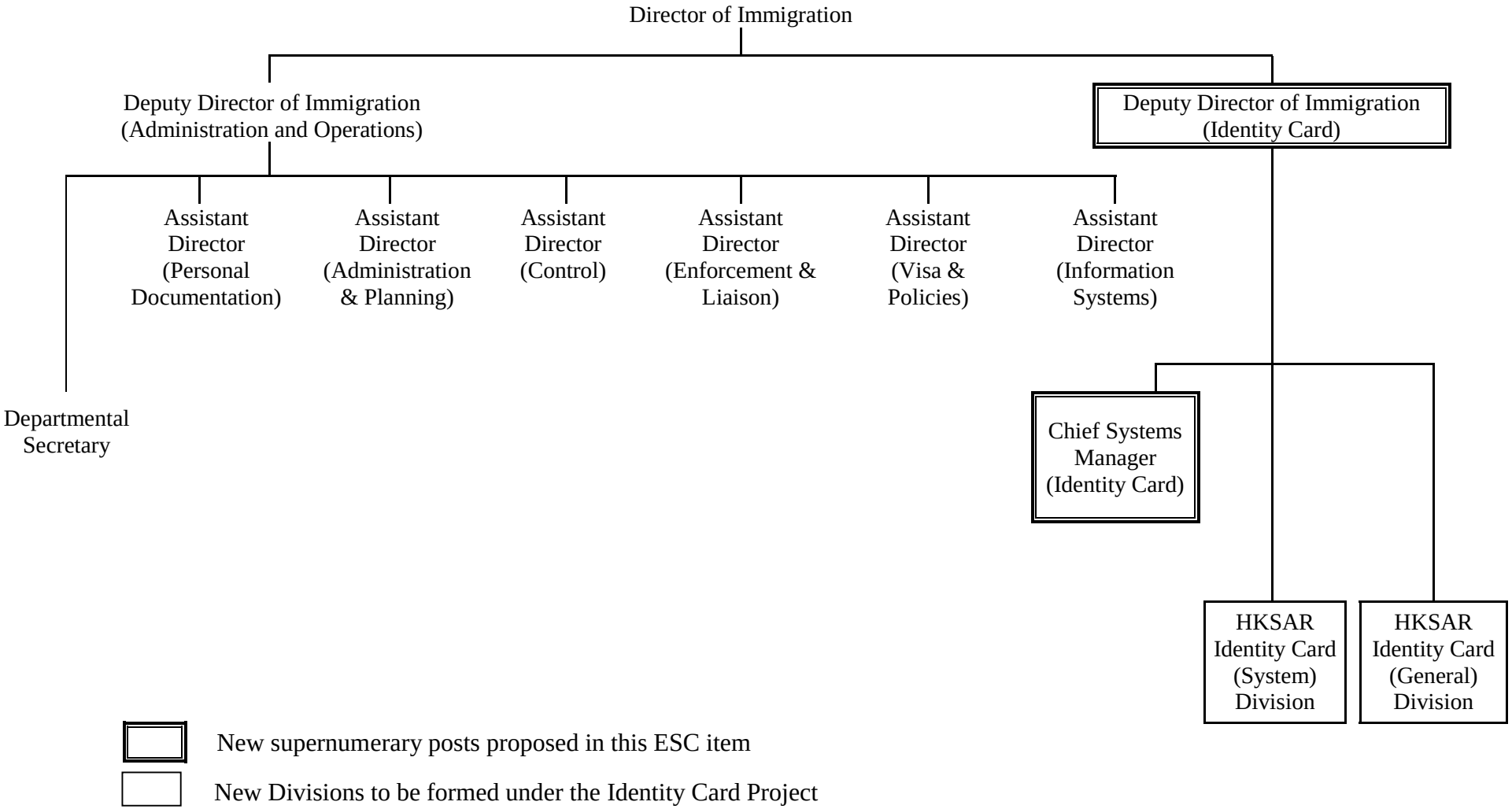
Temporary Staff (Total = 5)

Abbreviation

DD(ID)	-	Deputy Director (Identity Card)
CSM(ID)	-	Chief Systems Manager (Identity Card)
PIO(ID)S	-	Principal Immigration Officer (Identity Card) System
PIO(ID)G	-	Principal Immigration Officer (Identity Card) General
APIO(ID)S	-	Assistant Principal Immigration Officer (Identity Card) System
APIO(ID)G	-	Assistant Principal Immigration Officer (Identity Card) General
CIO(ID)S	-	Chief Immigration Officer (Identity Card) System
CIO(ID)G	-	Chief Immigration Officer (Identity Card) General
SIO	-	Senior Immigration Officer
IO	-	Immigration Officer
SIA	-	Senior Immigration Assistant
IA	-	Immigration Assistant
EOI	-	Executive Officer I
CO	-	Clerical Officer
PSI(ID)	-	Personal Secretary I (Identity Card)
PSII(ID)S	-	Personal Secretary II (Identity Card) System
PSII(ID)G	-	Personal Secretary II (Identity Card) General
SSM(ID)TS	-	Senior Systems Manager (Identity Card) Technology Services
SM(ID)TS1	-	Systems Manager (Identity Card) Technology Services 1
SM(ID)TS2	-	Systems Manager (Identity Card) Technology Services 2
SM(ID)TS3	-	Systems Manager (Identity Card) Technology Services 3
ACOM(ID)TS	-	Assistant Computer Operation Manager (Identity Card) Technology Services
SCOp	-	Senior Computer Operator
COpI	-	Computer Operator I
COpII	-	Computer Operator II

Enclosure 3 to EC(2001-02)5

Organisation Chart of Directorate Posts in Immigration Department with the HKSAR Identity Card Project Team



Job Description of Deputy Director (Identity Card)

As head of the Hong Kong Special Administrative Region (HKSAR) ID Card project team, Deputy Director (Identity Card) will be responsible for planning, directing and monitoring all activities relating to the implementation of the new ID card system and the launching of the region-wide ID card replacement exercise. These include but are not limited to the following –

(a) as chairman of the Project Steering Committee, to direct, oversee and manage the planning and preparatory work of the HKSAR ID Card Project, and to ensure that the project is implemented on time and in an orderly manner;

(b) as head of the Inter-departmental Working Group, to discuss and resolve matters requiring co-ordination between bureaux and departments in the process of planning and implementing a secure new ID card system, in launching the region-wide ID card replacement exercise, and in combating illegal immigration through the use of a more sophisticated smart ID card;

(c) as chairman of the Tendering Committee, to work out the tendering strategy with relevant bureaux and departments and to select the most suitable contractors for the implementation of the new ID card computer system and other sub-systems, and for the conversion of the existing microfilmed Registration of Persons records into digital images;

(d) as representative of ImmD, to liaise with other bureaux and departments on matters relating to the inclusion of other non-immigration, value-added applications on the smart ID card;

(e) in close consultation with other directorate officers of ImmD, to be responsible for the planning and the implementation of the project with a view to ensuring compatibility with other operations of the Department;

(f) to liaise with outside parties with interest in the HKSAR ID Card Project, such as the Office of the Privacy Commissioner for Personal Data, the Equal Opportunities Commission etc, on matters which are of concern to the general public;

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(g) to report the progress of the HKSAR ID Card Project to the Executive Council, the Legislative Council Panel on Security, and such other Panels as appropriate;

(h) to liaise and negotiate with the Mainland and Macau authorities regarding issues with implications beyond the HKSAR; and

(i) to perform such other project-related tasks such as legislative amendments, publicity, and public education programmes, and to conduct post-implementation review of the system.

Enclosure 5 to EC(2001-02)5

Job Description of Chief Systems Manager (Identity Card)

The Chief Systems Manager (Identity Card) will be responsible to Deputy Director (Identity Card) [DD(ID)] for planning, directing and monitoring all information technology (IT) related activities relating to the implementation of the new ID card system and the launching of the region-wide ID card replacement exercise. His main duties and responsibilities are as follows –

(a) to provide technical advice to DD(ID) on all IT related matters for the smooth and timely implementation of the HKSAR ID card computer system;

(b) to give directions on, and be responsible for, all the IT activities relating to the new ID Card Project, including overall planning, management, co-ordination, development, testing, acceptance and implementation of the various IT systems and sub-systems;

(c) to monitor and ensure that the necessary technical measures are implemented to protect the privacy of data and system security to the desired level; that the system is efficient, accurate and user-friendly; and that the service reliability and resilience are of the required standards;

(d) to formulate, recommend and execute strategies for the procurement of IT services and computer equipment at various stages of the project, and to give advice on the networking strategy as well as the site preparation work for the New ID Card Issuing Offices;

(e) to provide advice on tender preparation, tender evaluation, and to participate in contract negotiation;

(f) to manage the performance of the IT staff and external contractors, to ensure that the systems are delivered on time, that the system integration work is done smoothly by the various contractors, and to arbitrate or give directives, as necessary, should there be disputes among them;

(g) to oversee the interface of the ID card system with other relevant IT and manual systems;

(h) to give advice to DD(ID) on the technical requirements pertaining to the inclusion of non-immigration applications in the new ID card; and

(i) to carry out any other duties assigned by DD(ID).

Enclosure 6 to EC(2001-02)5

Non-directorate Posts Required for the ID Card Project Team in 2001-02

Rank	No. of Posts	NAMS per post $	Total NAMS Requirement $
Principal Immigration Officer	2	1,069,320	**2,138,640**
Assistant Principal Immigration Officer	2	951,300	**1,902,600**
Chief Immigration Officer	2	793,080	**1,586,160**
Senior Immigration Officer	6	634,920	**3,809,520**
Immigration Officer	11	405,300	**4,458,300**
Senior Immigration Assistant	1	255,240	**255,240**
Immigration Assistant	4	187,320	**749,280**
Executive Officer I	1	508,860	**508,860**
Clerical Officer	1	291,840	**291,840**
Personal Secretary I	1	291,840	**291,840**
Personal Secretary II	2	181,920	**363,840**
Senior Systems Manager	1	985,260	**985,260**
Systems Manager	3	722,280	**2,166,840**
Assistant Computer Operation Manager	1	508,860	**508,860**
Senior Computer Operator	1	386,280	**386,280**
Computer Operator I	2	278,040	**556,080**
Computer Operator II	1	150,930	**150,930**
Total :	**42**		**21,110,370**