

# **Legislative Council Panel on Information Technology and Broadcasting**

## **E-Government Strategy**

### **Introduction**

This paper briefs Members on the strategy for developing E-government and the setting up of an E-Government Coordination Office within the Information Technology and Broadcasting Bureau (ITBB) to drive the strategy.

### **Background**

2. The 2001 “Digital 21” Information Technology (IT) Strategy promulgated on 4 May 2001 aims to update and revise our IT strategy to keep pace with the changing technological landscape and the global e-business development so as to drive Hong Kong’s development as a leading digital city in the globally connected world. One of the main areas of focus of the strategy is to develop E-government. The strategy reaffirms Government’s commitment to leading by example in the adoption of e-business, both in conducting internal operations as well as delivering public services (including access to Government information and the completion of Government transactions) to the community on an “anywhere and anytime” basis.

3. Through the development of E-government, we can use e-business solutions to modernise Government operations, enhance efficiency and optimise the use of limited resources, as well as improve the quality of service delivery to the community so as to meet the increasing aspirations and demand in the Information Age. We can move away from the conventional approach of delivering services based on a departmental approach and break down bureaucracy to facilitate the provision of more customer-oriented, valued-added and user-friendly one-stop Government services.

## **E-Government Strategy**

4. The 2001 “Digital 21” IT Strategy has set out a comprehensive policy to develop E-government. A copy of the strategy document has been distributed to Members on 4 May 2001. The main features of the E-government strategy are set out in the ensuing paragraphs.

## **International Development**

5. The governments of many advanced countries all over the world are driving their strategies to promote the development of an information-based society. Many of them have put E-government as a core element of their strategies, with a view to promoting the development of e-business, improving efficiency and productivity, and bridging digital divide. We have studied the approaches adopted by other countries in developing E-government, particularly in terms of setting E-government targets, developing E-government initiatives and establishing the necessary institutional framework.

6. In a recent research report published by Accenture, a world-renowned management consulting company, Hong Kong ranks 10<sup>th</sup> internationally in developing E-government, and 4<sup>th</sup> in the Asia-Pacific Region (after Singapore, Australia and New Zealand). This may indicate that while we have put in a lot of efforts in driving E-government, others seem to have made even greater progress. Unless we strategically strengthen our efforts and provide clear leadership in driving E-government, we may fall behind others. It is therefore imperative for us to define clear E-government targets and initiatives, and better re-organise and deploy resources for E-government development, with a view to achieving our vision of developing Hong Kong as a leading digital city in the globally connected world.

## **E-Government Target**

7. Driving the vision of E-government with the support of defined targets will reflect the top-level commitment for developing E-government, focus attention on the ultimate goals to be achieved, and provide a clear steer for bureaux and departments to carry out their implementation work. It will also give us milestones against which to manage progress. Bureaux and departments will then be able to pursue their own E-government initiatives, and participate in cross-government projects, within a clear framework. Both the Public Accounts Committee and the Director of Audit have urged us to set a target for implementing E-government, taking into account the practices of countries leading in this field.

8. There are a wide variety of Government services and some may not be appropriate for online delivery. Other governments have addressed this by relating their E-government targets to providing particular types of government services online, e.g. providing an option to submit applications and forms electronically. Others have defined their targets in terms of putting “key”, “appropriate”, “all but most complex” or “a significant proportion of” services online. All these reflect the point that it is neither practicable nor feasible to aim at providing e-option for **all** public services. A list of E-government targets set by other countries is at Annex A.

9. Having examined the experiences of other countries in setting E-government targets, we have decided to draw up our target to provide e-option for public services based on those services which are amenable to the electronic mode of delivery, e.g. those requiring face-to-face interaction and cannot be carried out online are excluded. We will use the clients of these services as the basis for setting the target, i.e. the level of services with e-option available is measured by the percentage of the total number of clients using public services with e-option available over the total number of clients using public services which are amenable to the electronic mode of delivery. A simple illustration is shown in Annex B. We note that the same approach is adopted in other places like the U.K.

10. We have conducted a comprehensive survey on the public services provided by bureaux and departments, the clients using these services and the anticipated timeframe for providing e-option for them. The survey shows that, of the clients using public services which are amenable to the electronic mode of delivery, 65% of them are using services which already have e-option available, e.g. submission of tax return, searching for jobs registered with the Labour Department, making appointment to apply for identity card, payment of many types of Government bills, etc. Having examined the plans of bureaux and departments to put their services online in the next few years and taking into account E-government initiatives we have in hand, we propose to set the target of **increasing the percentage from 65% to 90% by end 2003**. This target covers not only existing services surveyed but also new services to be introduced. We consider it ambitious and yet achievable. We do not consider it justified to aim at a 100% target for the time being as, with resources and other constraints, we need to give priority to those services that would benefit the public most in the initial stage of E-government development. Those which have very low transaction volume may have to be dealt with at a later stage. We will review the target in 2003. We will also in parallel carry out active promotion to encourage the public to actually adopt the e-options available.

11. In order to achieve the above target, we aim to roll out e-option for more public services from now to end 2003, including –

- (a) booking of Government facilities and services by the public, e.g. sports and leisure facilities, marriage registration;
- (b) electronic payment of Government bills, e.g. Fixed Penalty Tickets (FPT) for illegal parking and traffic contraventions, fixed penalty court fines;
- (c) online sale of Government publications;

- (d) electronic procurement, e.g. extension of the Electronic Tendering System (ETS) launched to cover contracts of higher value, conducting electronic tendering for works contracts, and development of an electronic marketplace for lower value procurement currently conducted through quotations or direct purchases. To actively pursue electronic procurement as a means to drive the adoption of e-business in the private sector, we will also set the target to carry out 80% of Government procurement tenders through electronic means by end 2003;
- (e) services related to the business sector, e.g. online search for company data as well as cases on bankruptcy and compulsory winding-up of companies, online business registration and change of business registration particulars for all types of business establishments; and
- (f) services related specifically to the trading sector, e.g. electronic submission of cargo manifests (river, air and ocean); import, export and trans-shipment notification by registered textile traders.

### **Driving E-Government Projects**

12. We will embark on a series of flagship projects which will serve as models for other bureaux and departments to follow. These cover both public services and internal operations within the Government and include those which can provide significant benefits for the Government and the community and which may require coordination at the centre. These projects fall within the following four categories –

- (a) Government-to-Citizen (G2C);
- (b) Government-to-Business (G2B);
- (c) Government-to-Employee (G2E); and
- (d) Government-to-Government (G2G)

More details about the four categories of projects are set out in Annex C.

### **Infrastructural Support and Training**

13. A robust and scalable IT infrastructure is crucial to support our E-government initiatives. Over the years, we have built a Government backbone communication network which links up all bureaux and departments to support e-mail communication and other network applications. We have developed a Central Internet Gateway which enables bureaux and departments to disseminate information to as well as communicate and transact businesses with the public over the Internet through a scalable, secure and centrally managed gateway. We have built an Intranet system for sharing of information within the Government. We have also implemented a progressive programme to provide desktop computing facilities to more Government officers. E-mail communication has now become a popular form of internal communication and has gradually replaced paper correspondence. We are also rolling out the Confidential Mail System which provides a secure platform for the exchange of confidential information amongst all bureaux and departments electronically. We will continue to invest in our internal information infrastructure and enhance the capacity of the facilities to sustain the development of E-government.

14. Training and staff development are a crucial part of the E-government strategy to promote an e-enabled culture in the civil service. We will organise training and development programmes to enhance awareness at all levels in the civil service so that we are capable and adequately equipped to exploit E-government opportunities.

### **E-Government Coordination Office**

15. We have also reviewed the institutional framework for driving E-government. ITBB will take the lead in developing E-government vision and targets, coordinating cross-government development and projects, assisting bureaux and departments in implementing their own initiatives, and monitoring and managing progress towards the milestones

set. Bureaux and departments with the concerned policy responsibility and operational knowledge respectively will take ownership of their related E-government initiatives and give such initiatives their full support.

16. While E-government initiatives start mostly with changes within individual departments, they will eventually entail collaboration and coordination between departments, thus enabling the public to obtain Government services through a single interface. For E-government to succeed, bureaux and departments will have to conduct business process re-engineering, interact across departmental boundaries and “join up” Government. This will require focused advice and support as well as active coordination and drive from the centre.

17. We have drawn reference from practices adopted in other countries in coordinating E-government development as set out in Annex D. To effectively steer and monitor the overall implementation of the E-government strategy and the achievement of the targets set and to provide the necessary support and coordination, we will set up a dedicated E-Government Coordination Office within ITBB to serve as the focal point to coordinate the E-government initiatives of bureaux and departments. The Coordination Office will be headed by an E-Government Coordinator (Administrative Officer Staff Grade B (D3 post)). The Coordination Office will focus on coordination and facilitation rather than actual implementation of E-government initiatives which will be undertaken by the concerned bureaux and departments.

18. The Coordination Office has to be headed by a senior policy officer so as to champion the E-government agenda, coordinate different bureaux and departments at senior rather than at working level, address inter-departmental issues arising from the implementation of joined-up projects and explore innovative implementation models (e.g. through partnership with the private sector). Such responsibilities tie in with the typical work of an Administrative Officer and are not technical in nature. Currently, a Deputy Secretary (Administrative Officer Staff Grade B (D3) post) in ITBB is dealing with E-government issues among other competing priorities, e.g. IT manpower supply, digital divide, driving e-commerce in the private sector, enhancing support to the film industry, etc. We have explored the feasibility of absorbing the additional manpower requirement

for leading the Coordination Office within existing resources. However, with the expanded scope of the E-government initiatives and the ambitious timetable to deliver specific targets, which involve a large volume and high complexity of work, we conclude that we have to create the E-Government Coordinator post to undertake the work on a dedicated basis. The proposed duty list of the post is set out in Annex E. Upon the creation of the E-Government Coordinator post, the duties of the existing Deputy Secretary responsible for IT and film development will be as set out in Annex F.

19. We propose to create the E-Government Coordinator post under delegated authority on a supernumerary basis for six months starting from July 2001. This will enable us to kick-start the newly promulgated E-government strategy early and with a clear leadership, and to work out a detailed and concrete implementation plan for taking forward the E-government agenda. All other supporting staffing requirement of the Coordination Office will initially be met by redeployment of existing resources, subject to review in the light of operational experience. We will also review whether the E-Government Coordinator post has to be extended until 2003-04 to see through the delivery of the E-government targets. If so required, we will make a submission to the Establishment Subcommittee (ESC) and the Finance Committee (FC) for the extension of the supernumerary post. We will consult the Information Technology and Broadcasting Panel beforehand.

### **Funding of E-Government Projects**

20. E-government initiatives will continue to be funded under the Capital Works Reserve Fund (CWRP) Head 710 Computerisation. The approved provision for 2001-02 is around \$1,570 million. Out of this amount, around \$950 million will be used to fund 49 projects with expenditure exceeding \$10 million each, and the remaining \$620 million for over 400 projects with expenditure not exceeding \$10 million each. These projects include delivery of services to the public by electronic means, enhancement of the Government internal information infrastructure to support electronic transactions, provision of computing facilities to more officers, development of business-specific information systems, and the

conduct of various feasibility and technical studies to support E-government, etc. We anticipate that the funding requirement for E-government projects will increase progressively each year to keep up with the momentum and to enable us to deliver the targets set. The provision for each financial year will be subject to the approval of the Finance Committee in the context of the Annual Estimates exercise.

**Advice sought**

21. Members are welcomed to comment on the E-government strategy.

**Information Technology and Broadcasting Bureau  
May 2001**

### E-government Targets Set by Other Countries

<b>Country</b>	<b>E-government Targets</b>
<b>Australia</b>	All appropriate Federal Government services capable of being delivered electronically to be delivered via the Internet by 2001, complementing – not replacing – existing written, telephone, fax and counter services
<b>Canada</b>	All key government services fully online by 2004
<b>Finland</b>	A significant proportion of forms & requests can be dealt with electronically by 2001
<b>France</b>	All administrations to provide public online access to government services and documents by end 2000
<b>Ireland</b>	All but most complex of integrated services to be put online by end 2001
<b>Japan</b>	All applications, registrations, and other administrative procedures between the people and the government will be available online using the Internet or other means by fiscal year 2003
<b>The Netherlands</b>	25% of public services to be delivered electronically by 2002
<b>Singapore</b>	Where feasible all counter services available electronically by 2001
<b>UK</b>	100% of government services (with exclusion for policy or operational reasons) available electronically by 2005 90% of Government procurement to go online by March 2001
<b>USA</b>	Provide public online access to government services and documents by 2003. Provide public with an option to submit forms electronically

Source : *Information Age Government – Benchmarking Electronic Service Delivery, Central IT Unit, U.K. (July 2000)*  
*Electronic Government International, Kablenet, U.K. (December 2000)*

### Illustration on Setting E-Government Target

Sample services (Note)	Number of services	Annual clientele	E-option
(a) Filing of tax return for individuals	1	1,870,000 (A1)	Available
(b) Application for fishing licence	1	6,300	Not available
Total	2	1,876,300 (A2)	

(Note : Only services amenable to electronic mode of delivery will be included, e.g. services requiring face-to-face interview are excluded.)

Percentage of services with e-option =  $A1/A2 = 99.7\%$

## **Flagship E-Government Projects**

### ***Government-to-Citizen (G2C)***

Providing convenient and user-friendly electronic public services to individual citizens can significantly improve our service level and enable us to better serve the community. It will also enhance public confidence in conducting electronic transactions and promote the wider adoption of IT in the community.

We will continue to introduce more G2C services online, and continue with the development of the Electronic Service Delivery (ESD) Scheme. In 2001, we will launch a number of new services which are closely related to the daily lives of the public under the ESD Scheme (e.g. booking of sports and leisure facilities, booking of appointment for marriage registration, purchase of Government publications, registration to sit for public examinations, real time traffic video, etc.)

### ***Government-to-Business (G2B)***

Transacting with our business partners online can improve efficiency and reduce the compliance costs of the business sector, thus enhancing competitiveness. It will also facilitate innovation and investment and help promote Hong Kong as a premier business city.

We will actively implement and drive electronic procurement initiatives. Our target is to carry out 80% of Government procurement tenders through electronic means by end 2003, i.e. providing an e-option for prospective suppliers to submit tender proposals through electronic means. We will also develop an electronic marketplace for lower value procurement which is currently conducted through quotations or direct purchases.

### ***Government-to-Employee (G2E)***

Government as an employer using electronic means in communication and transactions with its employees, namely, civil servants, will enhance internal management efficiency, reduce administrative costs, and foster an E-government culture within the civil service.

We will roll out G2E projects such as electronic leave application and processing shortly. We will also explore linking up Government's human resources management and financial management systems to achieve productivity gains.

### ***Government-to-Government (G2G)***

G2G transactions refer to inter-departmental and intra-departmental operations. We are implementing a phased programme for adopting inter-departmental and intra-departmental electronic transactions to promote the use of IT within the Government.

We will initiate in 2001 to put the process to prepare the Annual Estimates online, and develop systems to allow departments to place orders online for common store items and printing Government publications.

## **Some Examples of Dedicated Set-up in Other Countries to Drive E-Government Development**

### ***Appointment of dedicated senior officials***

In the United Kingdom (UK), an e-Envoy has been appointed to drive the E-government agenda. The e-Envoy is a senior government officer responsible for leading the e-business thinking in government, considering the funding for E-government development, coordinating and prioritising work on enhancement of government IT infrastructure and provision of public services online. He reports the progress to the ministers on a regular basis.

In Norway, an eEnvoy has been appointed by the eMinister to own and drive the E-government strategy, and is responsible for the direction and implementation of the overall programme.

### ***Setting up of dedicated coordination bodies***

In the UK, a dedicated unit “eGovernment” in the Cabinet Office has been set up for coordinating and monitoring the E-government strategy. It is responsible for developing and monitoring implementation of framework policies, standards, and guidelines, supporting departments in their development of e-business strategies, and developing shared infrastructure and applications in collaboration with lead departments.

In Australia, a dedicated unit “Office of Government Online (OGO)” has been set up, which assumes the overall facilitating and coordinating role in assisting government agencies to deliver online services.

**Proposed Duties of the E-Government Coordinator**

- (1) To formulate policy/strategy/plan for the development of E-government;
- (2) To drive and monitor the implementation of E-government targets;
- (3) To coordinate different bureaux and departments in implementing E-government projects and to address cross-departmental issues arising from the implementation work;
- (4) To ensure the provision of adequate internal information infrastructure to sustain E-government development;
- (5) To identify the training needs of the civil service in developing E-government, and to cultivate the necessary cultural changes;
- (6) To advise on the business approach in taking forward E-government projects, including innovative partnership with private sector, etc.
- (7) To control the funding under the Capital Works Reserve Fund Computerisation Block Vote and to efficiently use the funding available to support the implementation of E-government projects; and
- (8) To support the operation of the E-Government Steering Committee chaired by the Secretary for Information Technology and Broadcasting.

**Revised Duties of the Deputy Secretary  
for Information Technology and Broadcasting  
Responsible for IT and Film Development**

- (1) To oversee the overall implementation of the Digital 21 IT Strategy;
- (2) To formulate policy on strengthening IT manpower supply;
- (3) To formulate policy and strategy for the promotion of e-commerce in the business sector and the community;
- (4) To drive for the development of the necessary environment and infrastructure for e-commerce to prosper, including the establishment and further development of the public key infrastructure and the review of the legislative framework (Electronic Transactions Ordinance) for e-commerce;
- (5) To formulate policy and measures for strengthening the community for digital exploitation;
- (6) To formulate policy and measures for driving Hong Kong's development as an Internet hub, e.g. registration of Internet domain name, development of Internet2;
- (7) To support the operation of the Information Infrastructure Advisory Committee;
- (8) To formulate policy relating to the control of obscene and indecent articles;
- (9) To formulate policy relating to film classification; and
- (10) To oversee film services development and promotion and to drive the provision of the necessary infrastructure for supporting the film industry.