

For discussion on
8 July 2002

Legislative Council Panel on Information Technology and Broadcasting

Progress Update on the E-government Programme for 2002

Introduction

At the Panel meeting of 14 January 2002, we briefed Members on the E-government initiatives that the E-government Coordination Office (EGCO), together with the Information Technology Services Department (ITSD) and other bureaux and departments, will pursue in 2002. This paper gives an update of our progress in the first half of 2002, and responds to issues/questions raised by Members at the January meeting.

Background

2. In the January Panel meeting, we set out that in 2002, we would create an environment conducive to the further development of E-government, continue to increase our provision of E-government services, strive to promote the utilisation of e-options, continue to pursue electronic tendering and procurement and develop other E-government projects. The following paragraphs report on the progress in these areas.

Creating an Environment Conducive to E-government Development

3. In the first half of 2002, the EGCO and ITSD have taken the following measures to improve the environment for E-government :

- (a) advised and encouraged bureaux and departments to exercise greater flexibility in project management and be less prescriptive in tender specification for IT projects, so as to speed up the IT project development cycle;

- (b) put in place a mechanism for fully exploiting business process re-engineering opportunities both within and across bureaux and departments when implementing IT projects. This is to ensure that the benefits of using IT are fully reaped in improving operational efficiency and quality of service, and cross-departmental collaboration in joining up government is stimulated;
- (c) assisted bureaux and departments in reviewing their stage of IT development and organised workshops for senior management to enhance their capability for further improvement;
- (d) assisted bureaux and departments to assume greater ownership of IT projects and blend IT into their core businesses. To achieve this, ITSD has stepped up the pace for establishing IT Management Units (ITMUs) in bureaux and departments. As at today, a total of 19 departments have their own ITMUs formed. We envisage at least five more departments to set up their ITMUs in 2002/2003 and a further significant number in 2003/04. Discussions are taking place with departments in step with their readiness to take on IT management and resource availability. To enhance its communication with ITMUs, ITSD has established several channels including but not limited to regular conferences and a theme portal, to facilitate information exchange and sharing among ITMUs and the ITSD management;
- (e) signed a large number (23) of Information Technology Professional Service Arrangement (ITPSA) standing offer agreements with 12 contractors for a wide range of IT professional services so as to facilitate and expedite project implementation in an open and fair manner; and
- (f) visited most Heads of Department and their senior management, impressing on them the need for business process re-engineering, inter-departmental collaboration and joining-up government.

Expanding the Provision of E-government Services

4. To speed up our provision of E-government services, we have set an overall target to provide an electronic option (e-option) for 90 per cent of the public services amenable to the electronic mode of delivery by end 2003. As of June 2002, over 78% of such services have been provided with e-option, up from some 70% in the third quarter of 2001. The increased percentage is mainly due to the introduction of several popular online public services under the Electronic Service Delivery (ESD) Scheme, including booking for sports and leisure facilities, and payment of fixed penalty tickets of traffic and public cleanliness offences. Starting from January 2002, businesses can also apply and pay for dutiable commodities permits, and receive the approved permits electronically. Some of the major E-government services that the government plans to roll out in the latter half of 2002 are at Annex A.

5. Some Members raised concern about E-government services possibly competing with the private sector for business opportunities. This situation should not arise. Government does not normally provide services which are capable of being provided by the private sector, unless there is very good policy justification. Providing e-options for Government services should not change this principle. As far as IT projects are concerned, we have been practising an aggressive outsourcing policy. Currently, 82% of new IT projects are already outsourced to the IT industry. And, in many cases, notably the ESD Scheme, we have formed public-private sector partnerships to implement IT projects. Hence, the development of E-government should not compete with the private sector. On the contrary, the close partnership and continued support of the private sector is vital and is a win-win situation.

6. There were also some questions about the productivity gains and savings resulting from the implementation of E-government programme. While some projects may generate realisable savings in the form of actual staff reductions or savings in operating expenditure, others may generate mainly notional benefits in the form of cost avoidance and fractional staff savings. As an indicative reference, IT projects in various stages of funding in 2001-02 (i.e. covering several years and ranging from the finished to those being just started) are estimated to bring realisable savings of some \$600 million and notional savings of some \$1,400 million a year. This is a high figure and reflects the effects some large and significant projects which may not be repeated year on year. The extent of benefits and savings from implementation of IT projects in 2002-03 needs to be ascertained later as it is still early in the year and some of the individual project plans have yet to be

firmed up. If we were to consider doing away with the conventional channels (e.g. counter, telephone) when we introduce the e-option for the public to access public services, this would of course make for greater savings. But we do not believe we are at that stage yet, certainly as far as services to the general public are concerned.

Promoting the Utilisation of E-options

7. Apart from providing high quality E-government services to the public, it is also our mission to drive up the utilisation of these services so that more members of the public will enjoy the benefits of E-government services. Some of our ESD services have attracted promising utilisation rates. For instance, some 70% of marrying couples who file their marriage notice on the first day of the marriage notice giving period make their booking through ESD; and already around 11% of bookings of public sports and leisure facilities are made through ESD, with the usage going up to 15% in peak hours. (This is encouraging as the service was only rolled out in late March.) The customer-oriented, one-stop service design of the ESD Scheme contributes largely to such encouraging utilisation rates. Highlights of utilisation statistics of some services are at Annex B.

8. The utilisation of some services is not as high as we would have hoped for. The variation of the level of utilisation of e-options of different services is due to various factors like the complexity of transactions, frequency of the usage of the service, user-friendliness of the e-options, availability of alternative convenient channels and existence of incentives in using the e-options or disincentives in using the conventional channels.

9. Like many other IT-advanced countries, we are looking at ways to improve the utilisation situation. In the past few months, we have studied the measures and incentives adopted by overseas governments in driving up utilisation. Annex C contains some international best practices for Members' reference. We have already been implementing some similar measures and incentives- as indicated in the Annex. For instance, our private sector partner has been giving out financial rebates for the public to book sports facilities online. We will also enhance our ESD system to enable taxpayers to retrieve their information from previous tax return when they fill in their new tax return form. The giving out of free e-Cert during the smart ID card

replacement exercise will also encourage usage of e-options that require digital signature and a high level of security. Financial incentives like rebates, coupons and price cuts are normally welcomed and effective. However, their applicability should be assessed carefully in the light of departmental policy and revenue considerations. Other measures like introducing disincentives for conventional channels is a bigger move and their applicability to Hong Kong will be assessed in the light of public acceptance and cost-effectiveness. We will explore the implementation of any applicable measures and incentives with various departments further to promote utilisation.

10. To facilitate the public to access and use E-government services, different departments have provided self-service kiosks in Government offices. Under the ESD Scheme, we have been providing smartly-designed kiosks in MTR, KCR stations, supermarkets and large shopping malls. There are also kiosks installed by departments for their specific uses, for example, Labour department has also been providing kiosks in job centres for job seekers to search for job vacancies. The total number of kiosks in job centres will increase from 22 to over 100 by end of September this year. The Leisure and Cultural Services Department has also installed kiosks at the Central Library for the public to access the library directory electronically. To provide online access to services and notices related to estate management, a pilot project with kiosks installed in public housing estate will be rolled out in a few months time in Yau Tong.

Pursuing Electronic Tendering and Procurement

11. Providing convenient e-options for the business sector is another important area of E-government. In particular, we are closely working with various departments to expand our e-tendering and e-procurement services, to achieve our target to carry out 80% of Government procurement tenders through electronic means by end-2003.

12. The Electronic Tendering System (ETS) currently covers non-works tenders issued by the Government Supplies Department (GSD) under the Supplies Tender Board and Central Tender Board. We will further enhance the System to cover non-GSD originated tenders (except works tenders) currently issued by individual departments. For works tenders, their dissemination and submission are already done through CD-ROM. The Works Bureau has recently completed a study on the feasibility of submission of tenders through the Internet and will formulate a plan for implementation.

13. For lower value purchases below \$1.3 million each, GSD has already kick-started, in early 2002, a trial scheme for using electronic marketplaces operated by the private sector. The trial scheme, now covering 10 departments, enables staff to gain on hand experience in adopting electronic procurement for low value purchases, which will help GSD to formulate its long term development proposals in this area.

Developing More E-government Projects

Common Look and Feel for Government websites

14. To facilitate navigation of Government websites by our citizens and people overseas, we are developing a “Common Look and Feel” for all Government websites. We shall revert to Members later this year before progressively rolling out around end 2002.

E-Bulletin

15. The Information Services Department (ISD) has also been implementing new initiatives to enhance communication between the Government and the public. The revamped Government Information Centre (GIC) portal was launched on 25 March 2002. The reconstructed portal, with improved navigation and clear categorisation of information, provides easy access to Government information and services for local and overseas Internet surfers. Email feedbacks from users have been positive. ISD will conduct an online survey to collect more public views in August 2002.

16. To use IT to provide a new channel for the Government to communicate interactively with the public, ISD will launch an online news bulletin in October this year. With the launch of this e-bulletin, we aim to disseminate Government news and information through multi-media in an innovative manner. A purpose-built studio in ISD will be set up for officials to speak on major issues on the Internet. This customer-oriented e-bulletin will also allow Internet users to personalise the web pages so that they can read only what they want. E-mail subscription will also be available, enabling the subscribers to receive chosen categories of news on a daily basis. There will be other features such as forums and letters-to-the-editor. This e-bulletin will further improve the transparency of Government and connect the Government and the public more effectively.

Pilot Accessibility Programme

17. We are also in the course of rolling out a pilot programme to provide shared IT and e-mail facilities to those officers who may not have the operational need for dedicated IT facilities – and hence do not have any access at present. The provision is to ensure greater use of IT in internal operations (Government-to-Government) and in employment-related (Government-to-Employee) functions like leave application and issue of pay-slip. A list of possible applications is at Annex D.

Smart ID Card

18. Pursuing joined-up government projects is a priority of the E-government Coordination Office. We are actively coordinating the development of the value-added non-immigration applications of the smart ID card to ensure that such applications from various departments are provided to the public in a seamless and one-stop manner. We have briefed Members on the development of these applications in the Security Panel meeting held on 4 July 2002.

Other Joining-Up Projects

19. In the first half of 2002, we also started exploring other joined-up projects, including a property portal and a business portal. By putting together property-related information kept by various departments in a single property portal, we could facilitate the public and the trade to access such information in a more transparent and convenient manner. By providing an entry point for the business sector to the different unconnected business-related websites in Hong Kong, an integrated business portal would help them, especially the small and medium enterprises, to access necessary business-related information. In the second half of 2002, we will coordinate among the various parties involved to facilitate cross-departmental collaboration to make these portals possible. We will also explore opportunities to partner with the private sector in the development of such projects.

20. We are also working closely with other parts of government on key initiatives that they are taking forward, for example e-logistics, e-trade (that is, to improve electronic communication between traders and Government), and a new government financial management system for which Members recently approved funds.

Benchmarking

21. Members will recall that our ESD Scheme won the Stockholm Challenge Award in the category of Public Services and Democracy last year and that a Taylor Nelson Sofres survey also last year indicated that Hong Kong topped Asia and was sixth worldwide in the utilisation of online government services. This year Accenture's annual international survey on E-government leadership indicated that Hong Kong's ranking moved up from tenth in 2000 to the eighth in 2001 as a "visionary challenger", mainly due to our introduction of the ESD Scheme. Their survey also showed Hong Kong to be the third most improved economy in terms of E-government leadership in 2001.

22. The award and survey results are encouraging but by no means suggest we can rest on our laurels. All governments are making great strides in E-government and we need to run in order to keep up. This we shall do, in order to continue to roll out services which the public will find useful and to provide greater efficiency and user-friendliness. We shall continue to monitor and coordinate the E-government initiatives of individual bureaux and departments to achieve our target.

Advice Sought

23. Members are invited to note and comment on the various initiatives and progress.

Information Technology and Broadcasting Bureau
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**Examples of Anticipated New E-options of Public Services
to be Rolled Out in latter half of 2002**

Public Services	Tentative Roll out Timetable in 2002
Sale of public examination publications	July
Registration for the Hong Kong Certificate of Education Examination and Hong Kong Advanced Level Examination	September
Online news bulletin	October
Search of cases of bankruptcy and compulsory winding-up of companies	October
Search for trade mark details	November
Submission of electronic manifests for cargo movements by rail, air and ocean/river	December
Lodgment of textiles notifications by carriers and traders	December
Submission of import and export statements on dutiable commodities	December

**Highlights of Utilisation Statistics of ESD Services
(December 2000 to mid June 2002)**

ESD Services

Search/register for job vacancies	466 474
Real time video of traffic conditions (from September 2001 onwards)	305 571
Volunteer schemes registration	131 179
Tourist information	125 344
Payment of Government bills	68 732
Booking of sports facilities and enrolment of leisure programmes (from April 2002 onwards)	43 796
Appointment booking for registration of Identity Card	41 192
Filing of tax return and interactive tax enquiry	8 971
Appointment booking for giving of marriage notice (from December 2001 onwards)	5 047
Sale of Government publications and census and statistical data (from October 2001 onwards)	1 227

**Main Measures and Incentives Adopted by
Overseas Government to Promote Utilisation of E-government Services**

Type	Measures / Incentives	Overseas examples	Hong Kong's initiatives
Financial	Give out rebates to the public from savings gained from enhanced efficiency	<ul style="list-style-type: none"> • USA - \$10 tax rebate for online tax filing • UK – Corporate received one-off 250 pounds tax rebate and individual taxpayer received 10 pounds tax rebate for online tax filing and payment 	<ul style="list-style-type: none"> • To be considered in the light of departmental policy and revenue considerations
Financial	Government to subsidise the giving out of rebates to the public, irrespective of efficiency gained savings	<ul style="list-style-type: none"> • Ireland – provide free digital certificate for online tax filing • Germany – provide free digital card readers 	<ul style="list-style-type: none"> • To embed a free e-Cert onto the smart ID card, to be issued starting from mid 2003
Financial	Form alliance with the private sector to offer financial incentives to the public	<ul style="list-style-type: none"> • UK – free pizza coupons for online notification of change of address 	<ul style="list-style-type: none"> • In May – June 2002, the private operator of the ESD portal has provided rental fee rebate for online booking of sports and leisure facilities

Type	Measures / Incentives	Overseas examples	Hong Kong's initiatives
Non-financial	Introduce disincentives for physical channels	<ul style="list-style-type: none"> • USA – closed down physical channels for services of unemployment insurance application and reporting • Singapore – posted all government tender news through the Internet and discontinued advertisement in physical channels 	<ul style="list-style-type: none"> • Submission of restrained textile export licences, certificates of origin, production notifications and trade declarations only through electronic channel, by closing the physical counters • To be considered in the light of public acceptance and cost-effectiveness
Non-financial	Enhance the overall appeal of the electronic channels, through improvement in variety, quality, flexibility and efficiency	<ul style="list-style-type: none"> • Canada – guaranteed expedited processing cycle for faster tax refunds • Finland – Tax filing process facilitated by pre-filed data • Singapore – provided a PIN for the public to authenticate themselves when transact electronically with the Government, eg, file tax return, apply for renewal of driving licence, etc 	<ul style="list-style-type: none"> • Starting from December 2001, marrying couples can make appointment for filing of marriage notice 14 days before couples can file the notice through walk-in • In 2003, to enable taxpayers to retrieve their information from previous tax return when they file their new tax return online • Implementing an ESD enhancement to allow the public to authenticate themselves using a Taxpayer Identification Number (TIN), instead of using a digital certificate, to file their tax return online

Type	Measures / Incentives	Overseas examples	Hong Kong's initiatives
Non-financial	Provide alternative payment method through e-channels	<ul style="list-style-type: none"> • Australia – a combined bill for presentment and payment • USA – accepted credit card payment for occupational and professional licences renewal 	<ul style="list-style-type: none"> • Water Supplies Department's Customer Care and Billing System to allow online presentment and payment of water bills – to be rolled out in 2004 • To consider accepting credit card payment for Government bills. The financial charge involved is one major consideration.
Non-financial	Organise marketing campaign	<ul style="list-style-type: none"> • The Netherlands – a multi-media campaign to promote the use of electronic services • UK – “Let's all get on” campaign involved promoting e-services with celebrities sharing their online experience 	<ul style="list-style-type: none"> • Continuous efforts in publicising ESD services and individual departments' e-services
Non-financial	Provide value-added services through the e-channels	<ul style="list-style-type: none"> • UK – free download of school performance report as an integral element of education one-stop service 	<ul style="list-style-type: none"> • One-stop service to check the availability of new sports training programme and enroll in such programme online • Value-added commercial marriage services are available alongside the service of giving marriage notice to Government

Type	Measures / Incentives	Overseas examples	Hong Kong's initiatives
Non-financial	Improve user-friendliness of e-channels	<ul style="list-style-type: none">• Ireland – organised online services into two streams, OASIS for individual and BASIS for business users• Singapore – categorised online services according to the needs of individuals in different life cycles	<ul style="list-style-type: none">• The ESD website categorised its over 130 online services according to 10 easily recognised groups – transport, citizenship, marriage, education, employment, finance, household, leisure, business and tourism – for easy navigation

Applications available for the Pilot Accessibility Programme

Service	Timetable
Accessing government information such as Government rules and regulations, Bilingual Law Information System, departmental newsletters etc	Available now
Accessing Government Telephone Directory	Available now
Video Channel for press conference and government seminars	Available now
Accessing the training facilities in the Cyber Learning Centre	Available now
Placing printing orders to Printing Department	Being rolled out
Leave application and processing	Being rolled out
Checking of content and schedule of training course of the Civil Service Training and Development Institute	Third Quarter, 2002
Submitting and processing bids for funding computer projects below \$10 million each	end 2002
Checking of payroll information (including monthly pay slip, payment history, return of payroll emoluments)	Jun 2003
Checking of housing allowance information (including enquiry of personal details, housing loan balance, etc.)	Within 2003
Applying for and receiving confirmation of CSTDI training course and submitting course evaluation, etc.	Phase 1 rollout by end 2003
Checking of passage allowance and information (including passage account balance)	Within 2004