For discussion on
10 December 2001

Legislative Council Panel
on Information Technology and Broadcasting

Institutional Arrangements for Implementation of
the Digital 21 Strategy and E-government Initiatives

Introduction

This paper sets out how we propose certain re-organisation to meet the challenges ahead for developing and pushing forward the Government's Digital 21 Strategy and specifically E-government. We seek Members' support for the creation of a supernumerary post in Information Technology and Broadcasting Bureau (ITBB) at D3 rank for two and a half years to spearhead the E-government initiative as soon as possible. We propose to offset such creation by the freezing of one post at D2 rank in the Information Technology Services Department (ITSD) from May 2002 until the lapse of the proposed supernumerary D3 post.

Background

2. In the Digital 21 Strategy Document released in May 2001, we set out five Key Results Areas (KRA) to cement Hong Kong's position as a leader and not a follower in the digitally connected world. These are:

KRA 1: To enhance the world class e-business environment in Hong Kong
KRA 2: To ensure that the Hong Kong Government leads by example
KRA 3: To develop Hong Kong's workforce for the information economy
KRA 4: To strengthen the Hong Kong community for digital exploitation
KRA 5: To leverage Hong Kong's strengths in exploitation of enabling technologies

3. In order to achieve these aims we need to refocus and redeploy our resources in some areas. In ITBB we have to make room for an expanded E-government role, and also to allow the Bureau to put sufficient focus into the

important areas of IT manpower, film promotion, digital entertainment, E-logistics and E-commerce promotion. In ITSD we need to refocus the work of the department so that it can place greater emphasis on further developing our information infrastructure and its security, tackle new subject areas of IT in the community and the digital divide, exploiting new IT and communications technologies and assisting in IT-related business process re-engineering. At the same time, in bureaux and departments (B/Ds) we need aggressively to step up the pace of infusing IT and e-business best practices in their normal business planning and operations. Specifically B/Ds need to assume much greater ownership of IT and to set up IT Management Units (ITMUs) in delivering their e-options and targets under the E-government strategy.

E-government

4. Advances in the Internet and other e-business technologies are now such that the Government can and should make as much use as possible of the electronic medium both for conducting its own business and for interacting with citizens and businesses. E-government is a tool through which we can improve the business of the Government and fundamentally change the way we provide our services to the public. Effective use of IT will bring about greater efficiency in our internal processes and service provision. The use of IT will facilitate the provision of services through a one-stop customer-oriented approach, transcending departmental boundaries. E-government seeks to improve the quality of public service provision and helps meet the increasing expectations of the community towards the Government. E-government will also bring about greater productivity and allow officers to focus on other more value-adding areas of their work. With the Government taking the lead in the use of IT, we can also drive the wider adoption of IT by businesses and enhance the competitiveness of business in Hong Kong.

5. The breadth, scope and pace of change are highly challenging to deliver, co-ordinate, monitor and drive. It is important to do so effectively, since considerable capital and recurrent expenditure is involved and since the benefits are potentially very substantial. We intend to meet these challenges, by establishing an E-government Co-ordination Office (EGCO) and by re-focusing the work of the ITSD.

6. Two studies, by the UK E-Envoy's Office and Accenture (a consulting firm), put forward that visible and committed leadership within the Government is necessary for successful E-government. Other conditions include combination of a clear policy statement, deliverables and a timetable and a framework for an authentic E-government strategy; cooperation between

Government departments; process re-engineering and sources of inspiration from elsewhere in the world and from the private sector etc.

Need for an E-government Coordination Office

7. We firmly believe there is the need and justification to set up a dedicated office - the EGCO – in ITBB to steer, drive and coordinate E-government initiatives. Areas where we consider an EGCO would make a real difference are as follows:

(a) Overall Targets

We have set ambitious overall targets for E-government. By end-2003, we aim to provide an e-option for 90% of public services amenable to the electronic mode of service delivery. We aim to carry out 80% of government procurement tenders through electronic means by end-2003. Implementation of initiatives to meet these targets needs to be closely monitored and guided from the centre to ensure they are met. The end result will be improved services/opportunities for citizens and businesses.

(b) Business Process Re-engineering

This is vital if we are to reap the real benefits of the Information Age, both for the public we serve and also internally within the Government. While the need for business process re-engineering has always been recognised, there is a need to increase efforts in this respect and to embed business process re-engineering into the different stages of the IT development cycle. The EGCO can achieve this through integrating the requirement for business process re-engineering into the project funding approval mechanism and through providing advice on resource deployment and other support.

(c) Efficiency and Common IT Approaches

Several areas of E-government activity will benefit from being under central supervision and facilitation. Many E-government applications are common to all B/Ds. They need to be developed and rolled out in a coordinated manner and on some common and shared IT platforms. Synergies should also be

possible, e.g. the change of address idea for as many departments as possible in one go. And the e-option of the "one stop and customer centric" approach of E-government may require substantial changes in the processes through which Government services are delivered, breaking down departmental boundaries. All these should improve productivity or achieve efficiency gains. It is an area where EGCO, working with ITSD, will have to provide central direction and steer.

(d) Internal Processes for Dealing with IT Projects

We need to streamline the IT system development life cycle, procurement framework, and the internal governance system for funding priority and allocation. The EGCO can, in close collaboration with ITSD and other relevant bureaux and departments, examine these opportunities with a view to reducing the "time to market" of our e-options while achieving the needed quality.

(e) Government-to-Citizen (G2C) projects

Several strands are involved. We need to expand and improve the services available through our flagship project: the Electronic Service Delivery (ESD) Scheme. This involves seeking out more services, which are of interest to the public, to be made available online. We also need to consider where there is scope for joined-up government to provide a better service to citizens. This includes cross-departmental collaboration, which can more effectively be carried out if there is an office at Bureau level – the EGCO – to coordinate if issues occur.

(f) Government-to-Business (G2B) projects

Internet use by businesses is not as high as it should be. By putting Government tenders online, we can drive businesses to adopt e-solutions. We wish to set up an electronic marketplace system under Government Supplies Department (GSD) for smaller purchases conducted by individual bureaux and departments. This will help drive Government suppliers, particularly small and medium-sized enterprises, to transact business with Government through electronic means, so as to drive them to make greater use of IT. The EGCO will work

with GSD to move this forward quickly by helping to tackle interfacing issues with the Government-wide financial management system and how to promote adoption of the electronic marketplace by small and medium-sized enterprises.

(g) Government-to-Employee (G2E) projects

We need to enhance the IT literacy and get more of our civil servants with Internet enabled and Intranet enabled access. Through this we can move Government further towards paperless operation. Training in the Information Age is crucial. For this, the EGCO with ITSD, are taking forward a project for universal accessibility to shared computing facilities.

With more civil servants online, more can be done to provide training opportunities to all, both in IT and in general training. EGCO will work with the Civil Service Bureau and Civil Service Training and Development Institute and ITSD to drive this along.

(h) Government-to-Government (G2G) projects

Issues here cover both matters like more efficient internal operations – for example online ordering for common store items and printing of government publications – and inter-departmental collaboration on projects, such as system interfacing to ensure maximum efficiency. As a central point for vetting all computerisation projects, the EGCO, working with ITSD and with the advice of Management Services Agency (MSA), can identify and pursue synergies where they may be achievable.

8. Naturally the EGCO, a small central unit, cannot do all the above on its own. We have indicated above the very close relationship there needs to be between the EGCO and the ITSD. In paragraphs 9 to 12 below, we set out how ITSD will change to meet the challenges ahead. In addition, the EGCO must work hand in glove with the Efficiency Unit and MSA, which have great expertise and experience in business process re-engineering, change management and efficiency. Without a dedicated EGCO, it will not be possible for the Government effectively to bring these disparate strands together.

Repositioning of the Information Technology Services Department

9. ITSD plays a number of important roles in taking forward the Digital 21 Strategy and E-government initiatives. These include the further development of our information infrastructure, provision of central and shared government IT infrastructure facilities and services, facilitating interoperability among disparate systems in Government and in communications with those outside of Government, protection of critical infrastructures and combating against computer-related crime and maintaining our information security management framework. ITSD also has a key role in exploitation of new technologies, putting forward IT-related best practices and re-engineering methods, promoting the adoption of IT in the community and among SMEs, facilitating the development of the local IT industry, and providing expert advice to B/Ds and their ITMUs in their planning and implementation of E-government initiatives.

10. To meet its enhanced roles ITSD is repositioning itself and its services. ITSD has been the major IT service provider to B/Ds. Over the years, it has helped a small number of departments establish ITMUs to plan and implement IT projects in an autonomous manner. But their reliance on ITSD is still considerable. We believe there is room for B/Ds to assume much greater ownership of IT and to blend IT with their core support services. Only then will they be able to reap the full benefits of e-business transformation and be in the best position to deliver their e-option targets under the E-government strategy. Thus we intend to step up the pace of establishing ITMUs in the remaining B/Ds. To this end, ITSD will provide or help departments source the professional IT staff resources in setting up the ITMUs and establishing the necessary standards and governance systems for management of IT. ITSD will progressively focus on its core functions. It will become more pro-active in providing expert advice, help and research to add value to the ITMUs and to bring to them best practices around the world. ITMUs are expected to plan and execute their individual IT applications and acquire IT resources with much reduced dependency from ITSD. At the same time, the role of joined up government will be impressed on all ITMUs and ITSD will use its core centre to ensure that such is taken forward in departmental initiatives.

11. To adapt to its new mission and focus, ITSD will re-engineer itself and will carry out a change management programme. The guiding principles of this change programme will focus on: achieving of targets in the Key Result Areas of the Digital 21 Strategy; recognising the formation of ITMUs in departments; stepping up action against information security threats; ensuring the performance, reliability and scalability of infrastructure facilities; strengthening liaison with the local IT industry, NGOs and support organisations to spearhead inter-departmental E-government and community-wide e-commerce projects that are emerging.

12. ITSD will reorganise itself through the change management processes, with reference to industry best practices in terms of its core competencies and mode of operations. It will delayer the hierarchical structure in delivering outcomes as far as possible. It will also work closely with the EGCO and B/Ds to achieve maximum synergy in achieving our E-government objectives.

The Organisation of ITBB

13. SITB is underpinned by three Deputy Secretaries, designated as Deputy Secretary for Information Technology and Broadcasting 1, 2 and 3 (DS(1), DS(2) and DS(3)). An organisation chart of ITBB showing the responsibilities of each of the Deputy Secretaries is at Enclosure 1. The DS(1) is responsible for overseeing the policy areas of broadcasting and telecommunications as well as bureau administration. DS(3) is responsible for overseeing the Cyberport development. This is a supernumerary post for a period of three years up to June 2002. Both DS(1) and DS(3) are already fully occupied in their clearly defined areas of responsibility. DS(2) has been responsible for overseeing the policy areas of : IT policy, infrastructure and services; E-commerce and E-government; and film services.

Encl 1

14. With the widely expanded scope of the E-government agenda and the increasing focus on the other duties of the DS(2) post, like IT manpower supply, digital divide, driving e-commerce in the private sector, enhancing support to the film industry, driving new policy initiatives related to mobile commerce, digital entertainment, e-logistics, etc., it is no longer possible for DS(2) to oversee all these matters in an effective manner and to give them due priority. The span of responsibilities and control and the duties of DS(2) are at Enclosures 2 and 3 respectively.

Encls 2 & 3

15. In order to move E-government issues forward quickly, we created a supernumerary post of Administrative Officer Staff Grade 'B' (AOSG'B') - the E-government Coordinator (EGC) post - in ITBB in early August 2001 under delegated authority to form the EGCO. We have redeployed six posts (one directorate and five non-directorate) to the Office, have on loan from ITSD and the MSA a further three posts and have engaged the service of a short-term contract staff at non-directorate level. The proposed organisation chart of ITBB, with the provisional setup of EGCO, is at Enclosure 4. The proposed structure of the EGCO is at Enclosure 5. The proposed revised duty list of DS(2) and proposed duty list of EGC are at Enclosures 6 and 7 respectively.

Encls 4 & 5

Encls 6 & 7

Creation of the post of EGC

16. With the provisional setup of EGCO in the last four months, we have initiated work in each of the areas set out in paragraph 7 above which have strongly demonstrated the need for better central coordination and drive and hence a genuine need for the dedicated EGCO. We consider that the leadership of EGCO should be pitched at a sufficiently senior level (D3) to provide appropriate policy responsibility and sufficient administrative experience in order to take forward the whole E-government agenda and to initiate the necessary cultural changes. The amount of coordination required with B/Ds, mostly at senior level, and the strategic direction that needs to be mapped out, mean that, at this time, we firmly believe the drive and coordination should come from the bureau - rather than from ITSD.

17. We propose that the EGC post should be created on a supernumerary basis for a period of two and a half years. We consider that the proposed EGC needs at least 2 to 3 years to initiate the necessary cultural change and put in place mechanisms conducive to further E-government developments in B/Ds who are the ultimate drivers for adopting IT in their own business areas. It will also enable EGC to see through the delivery of the E-government targets by end 2003 and to determine the future strategy to take.

18. The SITB is highly conscious of the need for government to marshal its resources prudently. In setting up the EGCO she has thus sought to minimise any additional resources. As described in paragraph 15 above, almost all the positions in the EGCO are filled by redeployment and on loan arrangements. She intends to operate on the same basis for the EGC post by moving resources temporarily from ITSD to the bureau by way of freezing one post of Assistant Director in ITSD. Subject to Members' support of the proposed creation of the supernumerary EGC post, the Assistant Director post in ITSD will be frozen with

effect from May 2002 when the incumbent retires and until the expiry of the proposed EGC post. We believe this is appropriate as the relationship between the EGCO and ITSD is symbiotic - they will work very closely together. Indeed, it is not impossible that in three years or so, the EGCO function could be placed in ITSD.

19. With the creation of the EGC post, DS(2) will still be fully occupied with the span of duties as listed at Enclosure 6. The incumbent will be able to assume increased focus in emerging areas of IT manpower supply, digital divide, driving the adoption of electronic commerce and mobile commerce, development of IT and film industries, digital entertainment and e-logistics policy as mentioned in paragraph 14 above.

20. Subject to Members' support, we will be making a funding submission to the Establishment Sub-committee of the Finance Committee for the creation of the supernumerary post of EGC

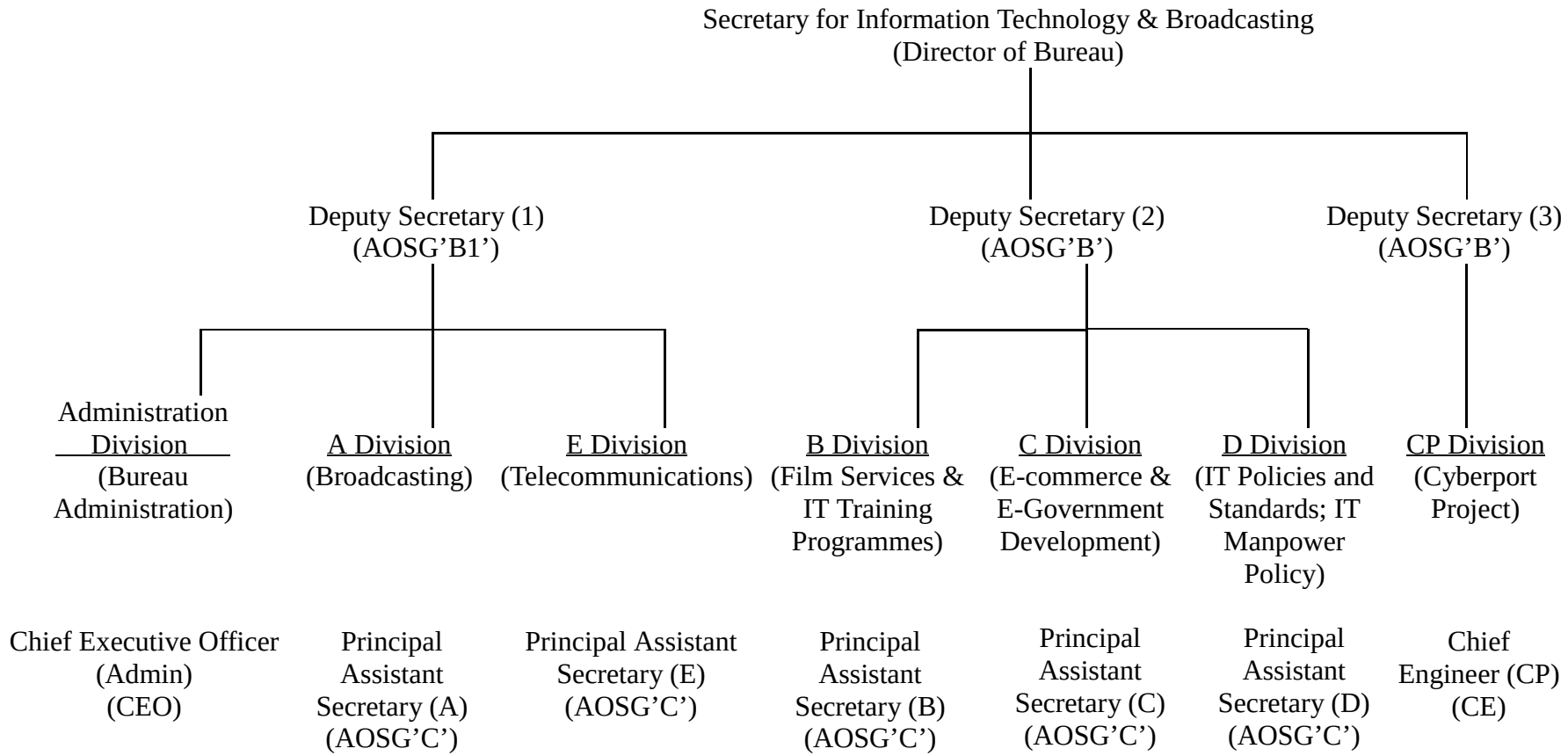
Advice Sought

21. Members are invited to note the institutional arrangements for implementing the Digital 21 Strategy and E-government initiatives and to support the proposal for the creation of the post of EGC.

Information Technology and Broadcasting Bureau
December 2001

Organisation Structure of ITBB

(as at July 2001)



AOSG'B1'/'B'/'C': Administrative Officer Staff Grade 'B1'/'B'/'C'

CEO : Chief Executive Officer

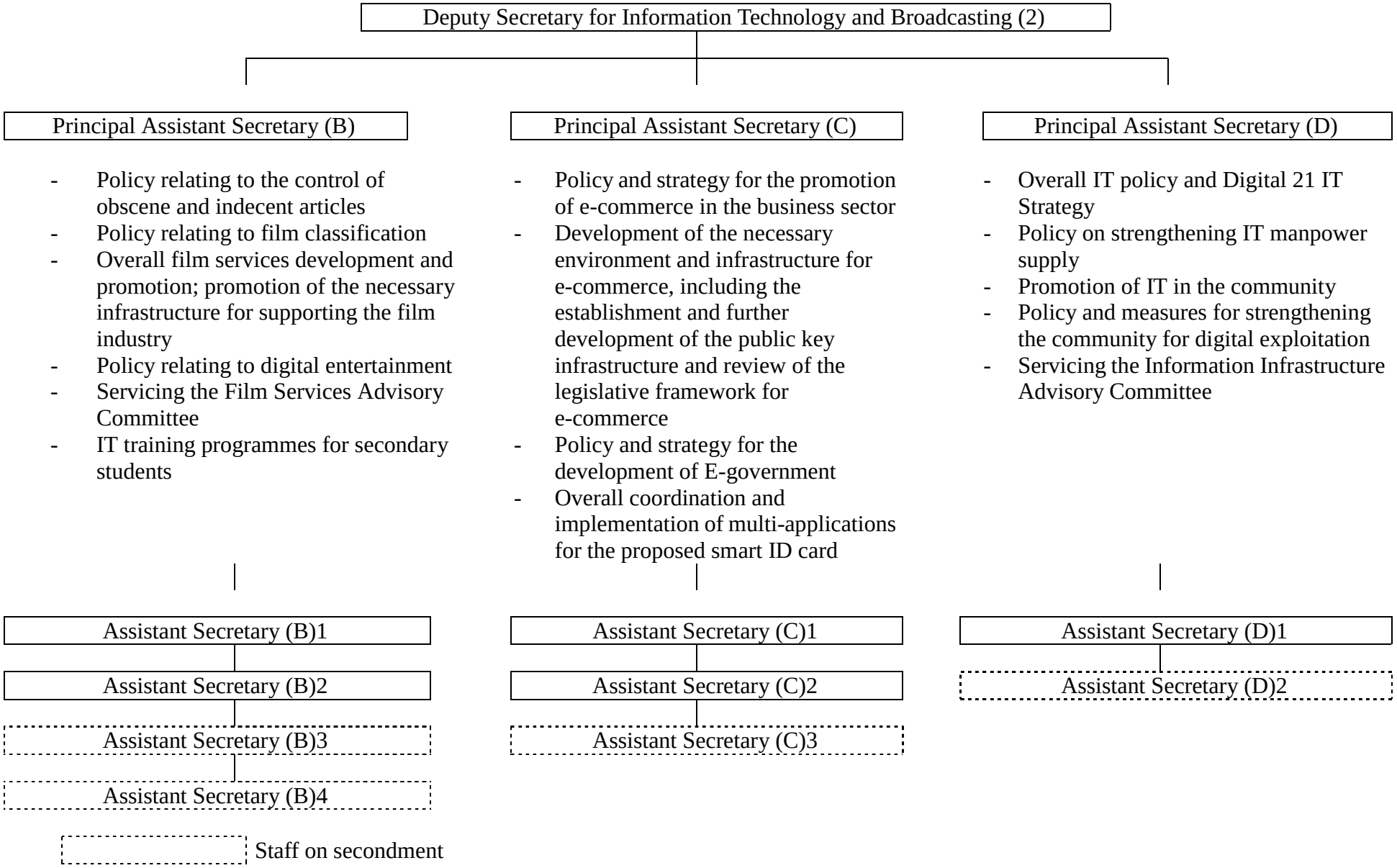
CE : Chief Engineer

Enclosure 2

Span of Responsibilities and Control of

Deputy Secretary for Information Technology and Broadcasting (2)

(as at July 2001)



Duties of the Deputy Secretary for Information Technology and Broadcasting (2)

(as at July 2001)

To assist the Secretary for Information Technology and Broadcasting with the following:

(1) To oversee the overall implementation of the Digital 21 IT Strategy, taking into account of overall manpower policy;

(2) To formulate policy on strengthening IT manpower supply, taking into account of overall manpower policy;

(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 formulate policy/strategy/plan for the development of E-government;

(8) To coordinate different bureaux and departments in implementing E-government projects;

(9) 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;

(10) To coordinate the implementation of multi-applications on the proposed smart ID card;

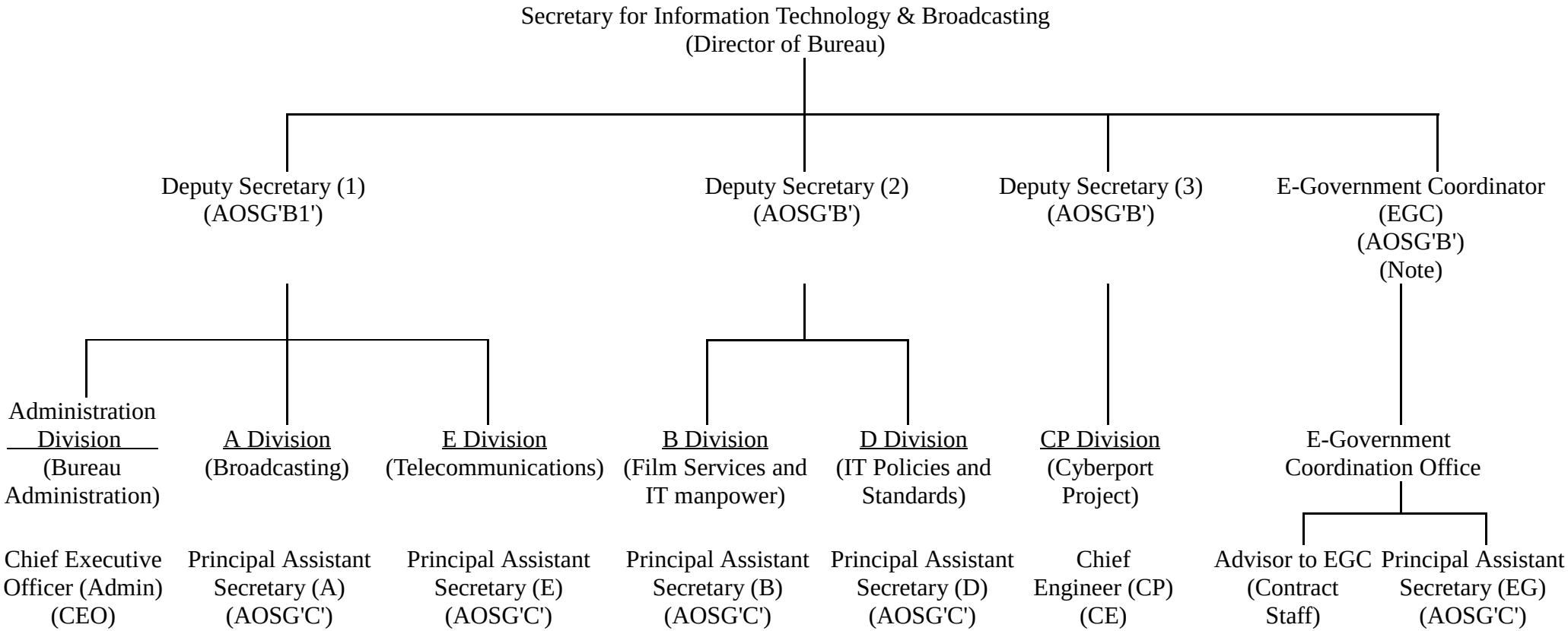
(11) To support the operation of the Information Infrastructure Advisory Committee and the Film Services Advisory Committee;

(12) To formulate policy relating to the control of obscene and indecent articles;

(13) To formulate policy relating to film classification and digital entertainment; and

(14) To oversee film services development and promotion and to drive the provision of the necessary infrastructure for supporting the film industry.

Proposed Organisation Structure of ITBB



Note : Supernumerary post proposed to be created (now created under delegated authority for six months w.e.f. 3 August 2001)

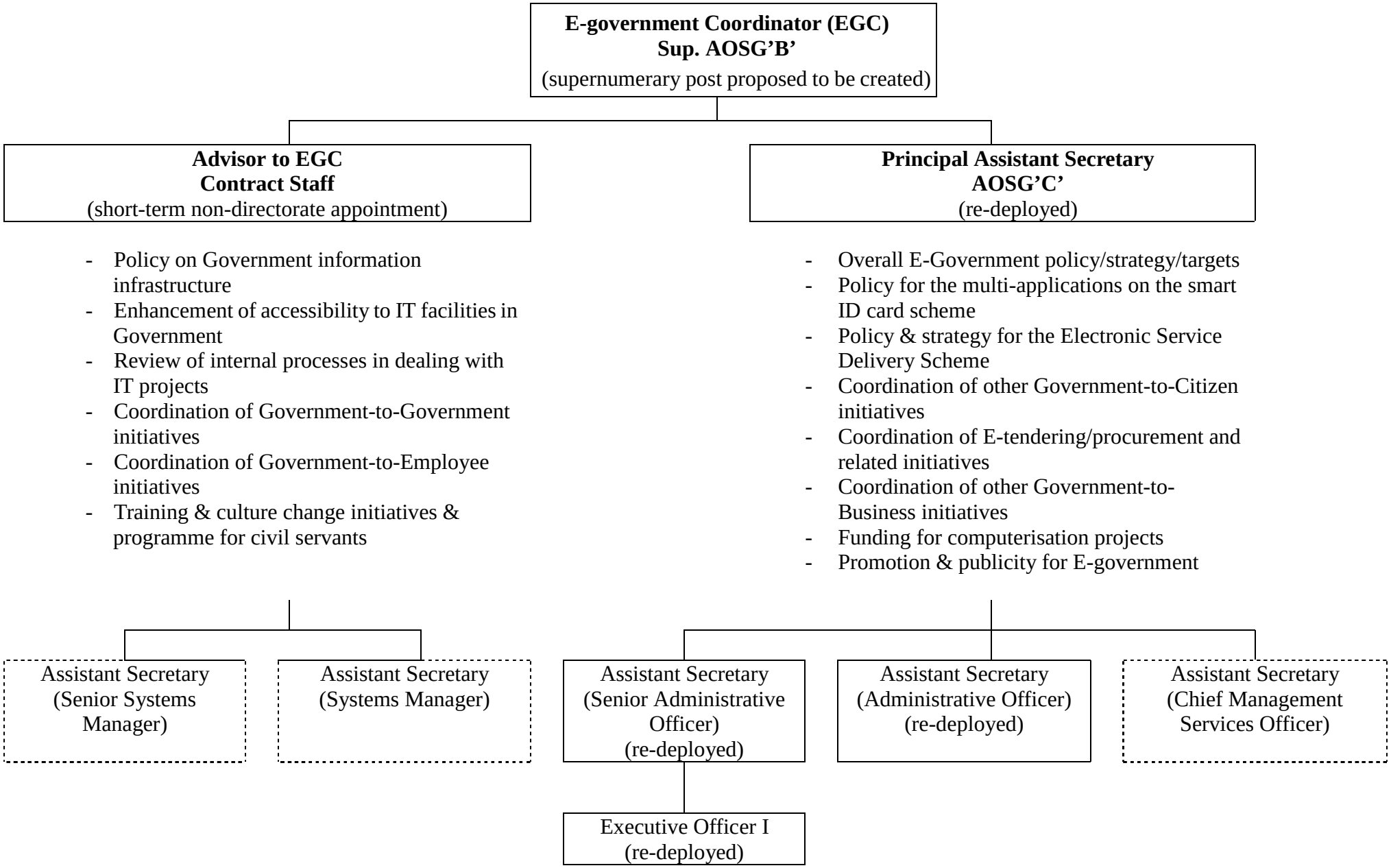
AOSG'B1'/'B'/'C ': Administrative Officer Staff Grade 'B1'/'B'/'C'

CEO : Chief Executive Officer

CE : Chief Engineer

Enclosure 5

Proposed Structure of the E-Government Coordination Office



Enclosure 6

Proposed Revised Duties of the Deputy Secretary for Information Technology and Broadcasting (2)

To assist the Secretary for Information Technology and Broadcasting with the following:

(1) To oversee the overall implementation of the Digital 21 IT Strategy taking account of overall manpower policy;

(2) To formulate policy on strengthening IT manpower supply, taking into account of overall manpower policy;

(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 explore the development of new policy initiatives on mobile commerce and e-logistics;

(8) To support the operation of the Information Infrastructure Advisory Committee and the Film Services Advisory Committee;

(9) To formulate policy relating to the control of obscene and indecent articles;

(10) To formulate policy relating to film classification and digital entertainment; and

(11) To oversee film services development and promotion and to drive the provision of the necessary infrastructure for supporting the film industry.

Proposed Duties of the E-government Coordinator

To assist the Secretary for Information Technology and Broadcasting with the following:

(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 drive business process re-engineering in the context of E-government projects and to streamline the internal processes for dealing with IT projects;

(5) To ensure the provision of adequate internal information infrastructure to sustain E-government and inter-operability of Government systems;

(6) To identify the training needs of the civil service in developing E-government, and to initiate the necessary cultural changes;

(7) To advise on the business approach in taking forward E-government projects, including innovative partnership with private sector, etc.;

(8) To coordinate the implementation of multi-applications on the proposed smart ID card; and

(9) 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.