

立法會
Legislative Council

LC Paper No. CB(1)2385/02-03
(These minutes have been seen
by the Administration and
cleared by the Chairman)

Ref : CB1/PL/ITB/1

Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 21 July 2003, at 4:30 pm
in the Chamber of the Legislative Council Building

- Members present** : Hon SIN Chung-kai (Chairman)
Hon CHAN Kwok-keung, JP
Hon YEUNG Yiu-chung, BBS
Hon Emily LAU Wai-hing, JP
Dr Hon LAW Chi-kwong, JP
Hon Albert CHAN Wai-yip
Hon MA Fung-kwok, JP
- Members absent** : Hon Howard YOUNG, SBS, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Dr Hon Eric LI Ka-cheung, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Timothy FOK Tsun-ting, SBS, JP
- Public officers attending** : Agenda Item III

Mrs Betty FUNG
Cyberport Coordinator,
Hong Kong Cyberport Development Holdings
Limited

Mr M T WONG
Deputy Director (Construction and Development),
Hong Kong Cyberport Development Holdings
Limited

Agenda Item IV

Mr Michael STONE, JP
E-government Coordinator,
Commerce, Industry and Technology Bureau

Ms Joyce TAM
Principal Assistant Secretary for Commerce,
Industry and Technology (Communications and
Technology)

Miss Jane LEE
Assistant Secretary for Commerce, Industry and
Technology (Communications and Technology)

Mr Dennis PANG
Ag Deputy Director of Information Technology
Services

Mr Raymond CHAN
Chief Systems Manager, Information Technology
Services Department

Agenda Items V & VI

Miss Adeline WONG
Acting Deputy Secretary for Commerce, Industry
and Technology (Communications and Technology)

Mr Michael CHUNG
Director (Product Development and Marketing),
Hongkong Post

Clerk in attendance : Miss Polly YEUNG
Chief Assistant Secretary (1)3

Staff in attendance : Ms Debbie YAU
Senior Assistant Secretary (1)1

Ms Sharon CHAN
Legislative Assistant 6

I Confirmation of minutes and matters arising

LC Paper No. CB(1)2213/02-03 -- Minutes of the meeting held on 9 June 2003

LC Paper No. CB(1)2220/02-03(01) -- List of outstanding items for discussion (as at 21 July 2003) *(revised version tabled at the meeting was subsequently issued to members on 22 July 2003 vide LC Paper No. CB(1)2262/02-03)*

LC Paper No. CB(1)2220/02-03(02) -- List of follow-up actions

The minutes of the Panel meeting held on 9 June 2003 were confirmed.

2. The Chairman informed members that further to the meeting on 27 June 2003, the Administration had been requested to brief the Panel on further progress of the sound broadcasting licence renewal at this meeting and the item had been included on the agenda. However, subsequently, the Administration had advised that it would brief the Panel as soon as it was ready to do so instead of at this meeting. The Chairman said that after considering the Administration's request, he agreed not to schedule the item for discussion at this meeting.

3. In this connection, members noted the letter of Ms Emily LAU addressed to the Secretary for Commerce and Industry dated 16 July 2003 urging the Administration to report to the Panel further progress of the issue as soon as possible. (copy of the letter issued vide LC Paper No. CB(1)2235/02-03(01) on 17 July 2003).

4. Pending the decision of the Chief Executive in Council (CE in C) on the licence renewal of the two commercial sound broadcasters, the Chairman said that he might consider calling for a special meeting to consider the matter if necessary. Ms Emily LAU queried why it took so long for CE in C to make a decision.

(Post-meeting note: Further to the issuance of Lego Brief on "Renewal of the Sound Broadcasting Licences of Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited" (Ref CTB 9/2/23(03)Pt.4) on 22 July 2003 and on the instruction of the Chairman, members were invited to contact the Secretariat by 24 July 2003 if they considered that the subject should be discussed at a Panel meeting (LC Paper No. CB(1)2268/02-03. So far, no such request had been received from members.)

II Papers issued since last meeting

LC Paper No. CB(1)1740/02-03 -- Submission from Civic Exchange on Competition and the Telecommunications Sector

LC Paper No. CB(1)2086/02-03 -- Report on the Effectiveness of Competition in Hong Kong's Telecommunications Market : An International Comparison

5. Members noted the information papers issued since last meeting.

III Progress of Cyberport Project

LC Paper No. CB(1)2214/02-03(01) -- Information paper provided by the Administration

LC Paper No. CB(1)2214/02-03(02) -- Background brief on Cyberport prepared by the Secretariat

6. At the invitation of the Chairman, the Cyberport Coordinator, Hong Kong Cyberport Development Holdings Limited (CC/HKCDHL) briefed members on the progress of the Cyberport project as outlined in the Administration's paper. Specifically, she highlighted the joint promotion tour with Invest Hong Kong and the Science Park to the United States and Canada in March 2003 and similar promotions to the Mainland and Europe in the coming months. On the development of shared facilities, she informed members that the Digital Media Centre was scheduled for completion in two phases in end 2003 and February 2004 while the Wireless Solutions Development Centre would be completed by November 2003. To enhance the professional management of the Cyberport and its programmes, the Hong Kong Cyberport Management Company Limited had, in June 2003, appointed 10 non-government directors, including the Chairman, to its Board for a two-year term. The Board had set up a committee to recruit a Chief Executive Officer and a Director (Campus & Project Management) to replace the Cyberport Coordinator and the Deputy Director (Construction and Development) whose secondment to the Cyberport Companies would expire on 4 January 2004.

7. On the latest tenancy position, CC/HKCDHL reported that further to the Administration's paper, two more companies, which were new companies in Hong Kong, had committed to lease Cyberport offices. As a result, 24 companies and organizations had leased or committed to lease Cyberport offices, seven of which were new companies in Hong Kong and 65% of all the office space in phase CIA had been taken up.

8. Mr Albert CHAN reiterated his concern about the Government's capital contributions and the investment return and sought information on the return on the Government's contributions to the project.

9. In this connection, CC/HKCDHL recapitulated that pursuant to the Project Agreement signed with Cyber-Port Limited (CPL), the Government's capital contribution for the project was the Residential Portion Land Value of the Cyberport at \$7.8 billion, which already included the estimated cost of around \$1 billion for infrastructural works. CPL was responsible for the construction cost of both the Cyberport Portion and the Residential Portion. As at end June 2003, CPL had contributed around \$4.35 billion to the Cyberport project. She advised that according to the latest forecast and subject to further valuation, the value of the Cyberport Portion together with the Government's share of the surplus proceeds from the sale of the residential units would likely exceed its capital contribution of \$7.8 billion. The exact amount of surplus proceeds to be received by the Government would depend on the number of residential units sold and the sale price of these units. The Government would have a better idea of the projected return on its investment by mid 2004. She expected that the Government and the developer would start to share the surplus proceeds by end 2004/early 2005. Members would be updated on the financial arrangements in future progress reports of the Cyberport Project.

10. Noting from the Administration's paper that the companies and organizations in Cyberport would altogether employ around 2 500 staff, Mr MA Fung-kwok enquired whether this figure was in line with the original forecast.

11. In reply, CC/HKCDHL advised that it was originally estimated that the Cyberport would eventually house about 100 companies employing some 10 000 staff. The 24 companies which had leased or committed to lease Cyberport offices planned to employ about 2 500 to 2 600 staff, which represented a right proportion of the original estimate. According to the companies, the staff concerned would work in the Cyberport by end 2003

Admin

12. Members noted that the Administration would brief the Panel again on the progress of the Cyberport Project in January 2004.

IV E-government Programme

LC Paper No. CB(1)2214/02-03(03) -- Discussion paper provided by the Administration

LC Paper No. CB(1)1004/02-03 -- Extract of minutes of the meeting held on 10 February 2003 on "Progress of E-government Programme"

LC Paper No. CB(1)1115/02-03(01) -- "Establishment of Information Technology Management Unites in Government Bureaux and Departments" provided by the Administration

13. With the aid of the power-point presentation, the E-government Coordinator, Commerce, Industry and Technology Bureau (EGC/CITB) outlined the major developments in the past half year, the work in progress and the direction for the future.

14. In giving an overview of the progress, EGC/CITB highlighted that the Administration was getting close to reaching the E-government targets by end 2003 and had stepped into the new stage of E-government by implementing joined-up and Government-wide initiatives such as one-stop notification of change of address, business entry portal, property information hub, integrated criminal justice system, multi-application smart identity (ID) card and common look and feel for Government websites. To be well-prepared for this stage, the institutional and human support arrangement at the centre and bureaux/departments had been improved. EGC/CITB also shared with members the result of the public opinion survey on E-government performance. The Administration was exploring the way forward for E-government service in tandem with the review of the Digital 21 Strategy.

15. Noting that Hong Kong's ranking at the third annual international survey of E-government leadership released in April 2003 had moved up to the 7th position this year from 8th last year, Mr CHAN Kwok-keung enquired about the room for further improvement on E-government service as compared to other countries ahead of Hong Kong.

16. In response, EGC/CITB pointed out that the survey should be seen as a guide for improvement instead of an exact reflection of achievement. He explained that absolute benchmarking was not possible because due to their differences in socio-economic systems, some countries were ahead in some areas while some services available in Hong Kong might not be found in other economies. For instance, some countries had provided social security benefits services online, whereas such service was still delivered in the conventional mode in Hong Kong. In this regard, the Chairman pointed out that in the case of Singapore, since many government services were transacted on-line under the mandatory Central Provident Fund system, it was not surprising that the country could rank as high as 2nd in the E-government leadership survey.

17. Recalling the difficulties in retrieving relevant information on the use of solar energy in Hong Kong from Government websites, Mr Albert CHAN was concerned about the user-friendliness of Government websites to the general public, in particular student users or other users for research and study purposes.

Admin

18. While acknowledging that there was room for improvement, EGC/CITB pointed out that additional resources were required to maintain an efficient search engine for the entire Government. He advised that some departments had developed search engines to facilitate the public in looking up reference materials under their purviews. He also undertook to follow-up the problem raised by Mr Albert CHAN and revert to the Panel in due course.

(Post-meeting note: The reply provided by the Administration was issued to members on 4 August 2003 vide LC Paper No. CB(1)2333/02-03(01))

19. In reply to Mr Albert CHAN, EGC/CITB confirmed that almost all Government forms were available for download online and all treasury payments with demand note numbers could be settled online or via e-options such as the Automatic Teller Machines. Regarding the suggestion of promulgating a comprehensive timetable in rolling out each type of service, EGC/CITB, while acknowledging the need for effective communication measures, cautioned that it might not be practicable in all circumstances to set out a specific timetable as suggested.

20. On measures to increase usage of E-government services, the Chairman agreed that while the various proposed incentive measures were useful, he considered that obtaining "priority/quicker service" online was the most effective incentive. For example, extra slots in booking appointment for replacing the old type ID cards with smart ID cards should be made available for online bookings.

21. On the question of reducing counter service, the Chairman pointed out that providing government services via the conventional mode and electronic means in parallel was most costly. One way to rationalize the reduction in counter service was through e-utilization of such service in existing government premises where conventional public services were provided. For example, the Chairman said that setting up cyber-points at existing District Offices of the Home Affairs Department could encourage the use of E-government services by those who initially intended to obtain the services through conventional means. Where necessary, staff from District Offices might be deployed to assist new users in obtaining E-government service. As such measures would be carried out by making use of existing venues and manpower support, additional costs would not be incurred. The Chairman elaborated that when more users were used to receiving E-government service through these transitional measures, the Administration might consider phasing out counter services while bearing in mind the needs of certain sectors of the population who might not be in a position to use e-options. As such, the Government's costs in delivering its services might be lowered as a result of E-government services.

22. Given that the Administration would likely meet the overall target to provide e-option for 90% of public services amenable to the electronic mode of service delivery by end 2003, the Chairman urged the Administration to set

reasonable and achievable e-utilization targets for different types of E-government services with a view to reviewing them from time to time. He stressed that instead of merely providing the e-options, it was equally important to promote utilization of such options.

23. On e-utilization, EGC/CITB noted that the public still preferred to obtain the service through conventional means if the service required considerable technological input such as the scanning of supporting documents in the case of renewal of vehicles'/drivers' licences. Nevertheless, he shared the Chairman's concern about the need to give impetus to e-utilization and said that greater effort would be made to re-engineering the business processes of relevant departments, selecting those that could provide a user-friendly e-environment and working out the e-utilization targets within a reasonable timeframe. He agreed with the need to set realistic targets that could be met and improved over time.

24. As regards the way forward for the E-government programme, the Chairman urged the Administration to consider related development such as the feasibility of rolling out M-government service given the advent of third generation (3G) mobile services and the planned implementation of 3G services by 2004/2005. He stressed that time was ripe for the Administration to explore ways in providing government services through mobile phones or Personal Digital Assistants (PDAs). Taking into account the possibly high subscription fees for 3G services in the early stage, the Chairman suggested that initially, the Administration might consider providing m-options for certain popular services.

Admin

25. In response, EGC/CITB noted the Chairman's views. He informed members that PDA versions were already available for certain Government sites and that the operator of the Electronic Service Delivery (ESD) services was planning to roll out some of its ESD services accessible for use by mobile phones.

Admin

26. Summing up, the Chairman remarked that the Secretary for Commerce, Industry and Technology should also involve other directors of bureau to explore ways to take forward various E-government initiatives and promote e-utilization. He requested the Administration to review the progress in relation to e-utilization targets and include the information in its next progress report in January 2004.

V Review of the funding strategy for Hongkong Post's certification authority service

LC Paper No. CB(1)2214/02-03(04) -- Discussion paper provided by the Administration

27. At the invitation of the Chairman, the Acting Deputy Secretary for Commerce, Industry and Technology (Communications and Technology) (Atg DSCIT(CT)) informed members of the outcome of the review of the funding

strategy for the certification authority (CA) service of Hongkong Post (HKP). She outlined the background of the CA service launched by HKP as provided for under the Electronic Transaction Ordinance (ETO) (Cap. 553). She also recapped the relevant concerns of the Public Accounts Committee (PAC) after examining the Director of Audit's Report No. 36 on the results of value for money audits which covered, among other things, the CA service provided by HKP, as well as the Administration's response to PAC's concerns.

28. Atg DSCIT(CT) further reported that having regard to the financial projections of HKP's CA service and developments in the CA market, the review concluded that while HKPCA had been operating at a loss, it should be able to be financially self-sufficient in the longer term. As such, the funding strategy for HKPCA at this stage would remain unchanged. She assured members that the Administration would monitor HKPCA's financial position closely and keep the funding strategy for HKPCA under review.

29. To encourage the continual subscription for the e-Certs issued by HKP to be embedded in the smart ID card, Mr CHAN Kwok-keung suggested that HKP should continue to provide the e-Cert free of charge after the initial trial year. He further suggested that HKP could consider levying a charge for each transaction made through the e-Certs and use the revenue thus generated to maintain its CA service.

30. While agreeing that the continual provision of free e-Cert might help encourage the use of HKP's CA service, Atg DSCIT(CT) nevertheless pointed out that HKP was operating as a Trading Fund and must secure income on its own to fund its operation. HKP had examined the feasibility of continual provision of free e-Cert but concluded that there was no business case to do so. The Administration expected that if a critical mass of e-Cert holders emerged as a result of the "free e-Cert on smart ID card" initiative, the market would respond by making available a wider range of applications using digital certificates. This would in turn sustain the momentum of use and the subsequent take-up and renewal of e-Cert on smart ID card. As regards levying charges for transactions made through the e-Certs, Atg DSCIT(CT) said that HKP might consider this option in longer term, with the charges levied on the service providers.

31. Summing up, the Chairman indicated his support for HKP to maintain its current funding strategy for CA service.

VI Free e-Cert on Smart Identity Card

LC Paper No. CB(1)2214/02-03(05) -- Information paper provided by the Administration

32. At the invitation of the Chairman, the Director (Product Development and Marketing), Hongkong Post briefed members on the one-stop opt-in process and

the publicity campaign for HKP's offer of one year's free use of e-Cert to be embedded on the multi-application smart ID card.

33. In reply to the Chairman, Atg DSCIT(CT) advised that the Immigration Department started issuing smart ID cards to those reaching the age of 11 or 18, new arrivals, and applicants for replacement of lost or damaged ID cards on 23 June 2003. These applicants might opt for the free e-Cert on a voluntary basis. As at 17 July 2003, there were some 8 000 smart ID card applicants and HKP had received about 300 e-Cert applications. She attributed the relatively low opt-in rate at this stage to the absence of one-stop service which would be provided at the future Smart ID Card Centres (SIDCCs) of the Immigration Department to facilitate the public to opt for the free e-Cert during ID card replacement. During the replacement exercise for old type ID card holders to be rolled out on 18 August 2003, HKP would set up service counters at each of the nine SIDCCs so that residents visiting the SIDCCs for replacing their ID cards would be able to opt for the free e-Cert at the same time. Atg DSCIT(CT) confirmed that for privacy and security reasons, the application for free e-Cert and ID card replacement would be two segregated processes. At the SIDCCs, residents would first complete the application process for ID card replacement. Those residents who would like to opt for the free e-Certs would have to complete and submit simple application forms at HKP's service counters.

34. On the question of continued subscription of e-Cert as raised by Mr CHAN Kwok-keung, Atg DSCIT(CT) explained that the validity period of the e-Cert issued by HKP on the smart ID card would be three years. Before the expiry of the first year free use period, HKP would send reminders by e-mail or by post to e-Cert holders. Those e-Cert holders who would like to continue to use the e-Cert would only need to pay for the next two years of service online by credit card to keep the e-Cert valid. The subscription fee was \$50 per year.

35. In conclusion, the Chairman looked forward to seeing a good opt-in rate for the e-Cert issued by HKP, which could in turn help boost the utilization rate of E-government service.

VII Any other business

36. There being no other business, the meeting ended at 5:45 pm.