

Legislative Council Panel on Information Technology and Broadcasting

Progress Update on E-government Development

Introduction

This paper serves as a half-yearly update of Hong Kong's E-government development, which is coordinated and facilitated by the E-government Coordination Office (EGCO) of the Commerce, Industry and Technology Bureau and the Information Technology Services Department (ITSD).

2. Our E-government vision is to provide seamless electronic services to the public and business in an efficient and customer-centric way. To drive towards this vision, EGCO and ITSD have been working with bureaux and departments to extend the coverage and enhance the user-friendliness of electronic public services, pursue joined-up initiatives, and encourage the full exploitation of information technology. We also work towards nurturing an e-culture among civil servants so as to reinforce our mission to lead by example in conducting e-business.

Enhancing the Scope and Quality of E-government Services

3. We have set an overall E-government target to provide e-option for 90% of public services amenable to the electronic mode of service delivery by end 2003. As of end 2002, 81% of such services have e-option. Among such services, the e-options for the sale of public examination publications, registration for the Hong Kong Certificate of Education Examination and Hong Kong Advanced Level Examination, search of cases of bankruptcy and compulsory winding-up of companies, submission of application for civil service posts in government recruitment exercise, and search for job by disabled job seekers were rolled out in the second half of 2002. To continue extending the scope of E-government services, the Government will roll out e-options for more public services in 2003 to achieve our overall target. Members requested at the July 2002 panel meeting for information on the services which make up the gap between the current e-option percentage and the overall target

of 90%. A list of the more prominent examples of such services is provided in Annex A.

4. The Electronic Service Delivery (ESD) Scheme continues to be one of the main planks in our E-government development, by providing easily accessible online services. In 2003, it will continue to extend its service to provide greater convenience to the community. When the territory-wide identity card replacement exercise starts in July 2003, citizens will be able to make their appointment bookings through the ESD website to replace their current identity card with the smart identity card when it is their turn to apply. This will be a highly user-friendly service available to the whole population for them to attend the Smart Identity Card Centre of their choice, and will enable them to choose the date and time most convenient to them for getting the new smart identity card.

5. To cater for the needs of both citizens and businesses who move homes and offices, we will enable them to notify some 14 government departments about their change of address using a single online form at the ESD website. With the help of the Efficiency Unit (EU), we will make this happen by joining up the efforts of all the participating departments to provide this customer-oriented service. We aim to launch this service in mid 2003. This common change of address service also has the potential of being extended to notification of change of address to commercial entities like utilities, banks and telecommunication companies. A number of other IT-advanced countries already have a similar service in place. Learning from their experience, we will better serve the community in a one-stop way.

6. The ESD services have been attracting more and more users. Compared to last year, the average number of monthly transactions has increased by some 40%. And the number of hits a day now averages some 2 million.

7. Although ESD is popular, we must continue to drive usage. We have been actively working with ITSD, our contractor of the ESD Scheme and key departmental service providers to explore ways to encourage the public and businesses to “go on-line”. Apart from extending the scope of our service, we will also improve the service quality by introducing more value-added and customer-oriented features. For instance, as a result of customers’ feedback, in 2003, we will improve the online Leisure Link (booking of sports and leisure facilities) service by extending the service coverage to non-pre-registered people, enabling users to choose from the available time slots of several venues at a glance,

and personalising the booking function for frequent users to shorten the time needed to make a booking. We shall also be working with all concerned at a series of imaginative promotional campaigns - getting known is half the battle. The ESD website will also be revamped in the first half of 2003 so as to present our online services in a more attractive and customer-friendly way.

Encouraging the Business Sector to Adopt Information Technology

8. We have set a target on e-procurement to carry out 80% of Government tenders through the electronic means by end 2003. Through providing an electronic channel for government suppliers to obtain and submit tenders, we encourage the business sector to make use of information technology in conducting their business. We are confident that we could meet our target in 2003.

9. The Electronic Tendering System can handle most non-works tenders through the Internet. For works tenders, while the dissemination and submission of voluminous tender documents including plans and drawings are already on CD-ROM, the Environment, Transport and Works Bureau is exploring the implementation model of online submission.

Enhancing Communication between the Public and the Government

10. At the Panel meeting of 7 November 2002, we briefed Members on the Government's initiative to adopt a Common Look and Feel (CLF) for government web sites. The objectives are to give government web sites a consistent online brand image; to improve navigation and information presentation from the user perspective so as to enable citizens to navigate our web sites with ease and find what they want; and to inspire confidence in users when they use our web services.

11. To keep any additional cost to a minimum, most bureaux and departments will adopt the CLF designs during their normal web site revamping exercise over the coming three years. However, in order to have a meaningful launching impact, we have accorded priority to the highly utilized sites of Labour Department, Information Services Department and Hong Kong Observatory. We aim to complete the revamping of the web sites of these departments by May 2003. As a first step, we have rolled out our own CLF designed E-government site-www.egov.gov.hk

12. We shall carry out follow-up surveys periodically to gauge public response and obtain feedback. We shall report the findings of the surveys and the progress in web site revamping in the six-monthly progress reports on E-government submitted to the Panel.

13. Since the launch of the revamped Government Information Centre (GIC) (www.info.gov.hk) on 25 March 2002, access through the portal to Government information and services has been on the increase. The total number of page views recorded for all Government homepages has increased by almost 47% from March 2002 to November 2002. To gauge Internet users' views on the revamped GIC, the Information Services Department (ISD), in September 2002, posted a questionnaire on the website to invite their comments and suggestions. The results indicate that the user friendliness, design and layout, content coverage and updating of the website are satisfactory. The ISD will continue to make further enhancement to the GIC taking into account users' comments and suggestion.

14. To improve the transparency of Government and connect the Government and the public more effectively, the ISD launched the online news bulletin in December 2002. Apart from incorporating the interactive features of e-mail subscription and public forum, a special page for children aged twelve and under is also provided.

Accelerating the Level of e-Service Provision by Joining Up Departments

15. In paragraph 5 above, we mentioned the common change of address service for 14 departments to be introduced in 2003. This service shows our acceleration to another stage of E-government development: that is, government departments are beginning to move away from solely thinking within their departmental silos, but to focus on the need of their common customers and serve them in a coordinated and one-stop way. The EGCO, together with many departments, is working on a number of other joined-up initiatives related to, for example, the criminal justice system, property-related information and business-related information.

16. About ten Government departments/agencies are involved in the criminal justice system, from arrest to identification, prosecution, trial, correction, rehabilitation and release. Each department/agency has its own computer systems, most of which cannot talk to each other. In processing cases through the criminal justice system, information is re-inputted and re-processed in disparate computer systems across departments/agencies, thus creating potential for errors, duplication and barriers for enhancing operational efficiency.

17. We see significant benefits for developing an IT solution to facilitate the legitimate sharing of information within the criminal justice system. We are mindful that the integrity of the process and the privacy rights of the people whose data are being processed must be preserved. We are also aware that several other developed countries/regional governments have taken forward such initiatives with considerable success. In November 2002, we commissioned the EU to conduct a feasibility study to establish the technical and business viability of establishing such an IT solution. The EU will take four months to complete the study.

18. We are currently at the final stage of the study of putting the property-related information kept by different government departments into a single portal. In parallel, we are exploring the implementation model of the business entry portal to facilitate businesses (especially the small- and medium-sized enterprises) access the vast amount of business-related information currently provided by different government departments and public agencies.

19. We also continue to coordinate the development of the value-added non-immigration applications of the smart ID card to ensure that timely and user-friendly services will be provided to the public. We are working closely together with the departments concerned on the publicity and promotion activities to ensure that the public will be well informed of the various aspects of the smart ID card scheme and the related security and privacy measures when it is launched. The Bills Committee of the Registration of Persons (Amendment) Bill 2001 is now scrutinising the Bill and we are actively participating in the discussions.

Reaping the Full Benefits of Computerisation Projects

20. Implementing joined-up projects often requires the participating departments to re-engineer their business processes to cater for the need of the public. Business process re-engineering (BPR) can

also reduce system development costs and/or recurrent costs, eliminate unnecessary or duplicated processes, shorten service delivery time and improve overall efficiency. To take full advantage of computerisation to improve operational efficiency and quality of service, we have therefore introduced the compulsory requirement that all bureaux and departments must explore the BPR opportunities when implementing computerisation projects.

21. We consulted Members in November 2002 on our proposed allocation of \$690 million for the Block Allocation under the Capital Works Reserve Fund Head 710 Computerisation in 2003-04. We consider this amount is appropriate, taking into account the need to balance fiscal prudence with the need to sustain the momentum to develop E-government.

22. In vetting all the new bids submitted for commencement in 2003-04, we have undertaken a comprehensive screening of the BPR potential of the projects. As a result, a majority of the project owners will either conduct in-house BPR study or incorporate the BPR study in the feasibility study or system analysis and design stages of the project implementation to ascertain the cost-effectiveness of computerisation projects and to ensure that benefits of computerisation are fully reaped.

23. We reported in our last progress update in July 2002 that the computerisation projects in various stages of funding in 2001-02 were estimated to bring realisable savings of some \$600 million and notional savings of some \$1,400 million (actual notional savings are \$1,735 million) a year. Members were concerned about the possibility of deletion of posts and redundancy as a result of these projects. To follow up on Members' request, a breakdown of these savings is provided at Annex B. As shown in the Annex, most of the realisable savings are related to staff redeployment and deletion of posts, with no redundancy. In implementing computerisation projects, the Government will continue to consider ways to redeploy affected staff to take up more productive and value-added duties.

Cultivating an e-Culture within the Government

24. The Government is committed to leading by example in adopting e-business, not only externally to serve the citizens and businesses, but also internally in the communication and transactions among bureaux and departments, and between the Government (as an

employer) and civil servants (as its employees). To establish how we can cost-effectively provide IT facilities and training to civil servants to enable them to conduct internal businesses electronically, we embarked on a pilot programme involving 9,000 civil servants working in seven bureaux and departments. The installation of hardware and software and user training will complete in mid 2003. We will evaluate the success or otherwise of the pilot in the third quarter of 2003.

25. Further to establish an e-culture within the Government, ITSD has been facilitating bureaux and departments to establish IT Management Units (ITMUs), which are integrated units within bureaux and departments comprising both senior management and IT staff. These ITMUs can help bureaux and departments further to exploit IT in their core businesses and to take full consideration of BPR opportunities in computerisation projects. As at today, a total of 32 bureaux and departments have their own ITMUs formed, either on a dedicated or shared basis-up from 16 one year ago.

The Way Forward

26. In 2003 we must build on the solid foundation that we have created and also look to the future direction of E-government. So, EGCO and ITSD will continue our efforts in extending the service coverage of E-government, improving the customer-friendliness of our electronic services, coordinating among bureaux and departments to make use of IT to provide joined-up public services, exploiting more BPR opportunities in computerisation projects, and putting in place an e-culture within the Government. In all this our twin aims will be to drive usage of all forms of e-services and to improve efficiency. We shall also start a fundamental evaluation of our efforts and direction. With ITSD rapidly forming ITMUs and changing dramatically, the time is ripe to pave the way for the necessary changes in 2004/5 when the supernumerary posts for the EGCO will lapse. We shall keep Members abreast of our thinking in subsequent reports.

Advice Sought

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

**Commerce, Industry and Technology Bureau
January 2003**

List of Prominent Services to be provided with e-Option in 2003

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| Appointment Booking Service for Hong Kong Smart Identity Card Replacement Exercise |
| Notification of change of address to over 10 departments using a common form |
| Submission of electronic manifests for import/export cargo by rail, air and ocean/river ¹ |
| Lodgment of textiles notifications by carriers and traders ² |
| Search of company documents |
| Application for trade marks, patents and design registration |
| Search for patent and design details |
| Application for redemption of tax reserve certificate |
| Application for TeleTax |
| Application for assessment for using fitness equipment |
| Pre-arrival notification for river trade vessels |
| Application for renewal of local craft licences |
| Submission of preliminary examination questionnaire for bankrupt |
| Application for strategic commodities licence |

¹ The electronic system is already in place. While the primary legislation was passed in July 2002, the Administration plans to introduce amendments to the subsidiary legislation in 2003 to enable electronic submission.

² The electronic system is under final testing. The Administration plans to introduce amendments to the subsidiary legislation in 2003 to enable electronic lodgment.

Breakdown of the Per Year Savings Generated from the Computerisation Projects in Various Stages of Funding in 2001-02

Breakdown of Realisable Savings

| Category | Savings (\$million) | No. of Posts |
|--|---------------------|--------------|
| Staff Redeployment and Cutting Posts | 413 | 1345 |
| Natural Wastage, Voluntary Retirement and Others | 105 | 311 |
| Redundancy | 0 | 0 |
| Operating Expenditure | 106 | NA |
| Total | 624 | 1,656 |

Breakdown of Notional Savings

| Category | Savings (\$million) |
|----------------------------|---------------------|
| Staff Cost Avoidance | 566 |
| Other Cost Avoidance* | 133 |
| Accommodation Cost Savings | 13 |
| Fragmented Staff Savings | 440 |
| Others | 583 |
| Total | 1,735 |

*mainly refers to the cost of additional equipment/space