For information
on 8 April 2005

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

Review of the IT Easy Link Services

Introduction

This paper briefs Members on the review of the IT Easy Link Services (the Services) and the way forward.

Background

2.   To encourage all sectors of the community to benefit from the development of information technology (IT), the Government has launched a wide range of initiatives to foster the community to embrace and use IT.

3.   In June 2002, we launched the Services in collaboration with the Hong Kong Computer Society (HKCS) as a pilot project lasting for one year. The aim was to promote the wider adoption of IT among members of the community. It provided free advice to them on general problems that they might encounter in using basic IT applications.

4.   Every year, we review the effectiveness of the scheme and explore the best way to integrate the Services into the broader range of services offered by the social service sector and the private sector. We are mindful of the need to stay clear from competing for business opportunities with the private sector.

5.   In July 2003, the Services were expanded to assist small and medium sized enterprises (SMEs) in adopting IT in their operation so as to enhance efficiency and productivity. In 2004, the Services were further extended for another year till June 2005.

6.   The Commerce, Industry and Technology Bureau (CITB) has been funding the Services.   The operating costs for the Services in 2002/03, 2003/04 and 2004/05 were $2.5 million, $4.7 million and $4.2 million respectively.

Review of the IT Easy Link Services

7.   During the period from July 2004 to February 2005, the daily average of incoming calls for the general community was 417, with an average abandon rate of about 10%.   The average rating given by randomly selected callers on their satisfaction level of the service provided was 8.7 on a 10-point scale, indicating that callers generally found the service highly satisfactory.

	July 2003 – June 2004	July 2004 – Feb 2005
Daily average number of incoming calls	488	417
Average daily call abandon rate	12.1%	10.4%
Satisfaction level	8.7	8.7

8.   As regards the usage of enquiry service for businesses, the number of incoming calls was 76 with an average abandon rate of about 5%.   The average rating given by randomly selected callers on their satisfaction level of the service provided was 8.9 on a 10-point scale, indicating that callers generally found the service highly satisfactory. The majority of the callers (87%) were SMEs with company size less than 24 staff.

	July 2003 – June 2004	July 2004 – Feb 2005
Daily average number of incoming calls	64	76
Average daily call abandon rate	7.4%	5.1%
Satisfaction level	9.0	8.9

9. It is revealed from the utilization statistics that there is a 15% decrease in the number of enquiries from the general community as compared with last year. Furthermore, about 65% of the total caller population were employees of companies or self-employed. We believe that many of them were employees working in SMEs with no internal IT support. This reflects that there is a decreasing demand for the enquiry services from the general community but an increasing demand from businesses. The key statistics are summarized at Annex A.

10. With the concerted effort of the industry, academia and general community, the adoption of IT by the community continues to increase. According to the 2004 Thematic Household Survey conducted by the Census and Statistics Department, the personal computer (PC) and Internet penetration rates among our households were 71% and 65% respectively, with 60% of all the households using broadband services. The percentage of persons aged 10 and over who possessed the knowledge of using the PC had steadily increased from 51.9% in 2001 to 61.3% in 2004. Based on the usage statistics, the Services have apparently helped in encouraging the community to adopt IT and have raised their confidence in using IT in the past few years.

Proposed Mode of Operation of IT Easy Link Services beyond June 2005

11. Taking into account the utilisation statistics of the Services, the overall improvement in IT literacy in the community and views of industry support organizations and other relevant stakeholders, the HKCS has proposed to transform the mode of operation of the Services to better fill the service gap in the community by way of -

(a) setting up an SME IT Support Center;

(b) seeking sponsorship from and partnership with the private sector to continue providing service to the general community; and

(c) exploring cooperative opportunities to further expand the Services to cover disadvantaged groups through non-government organisations (NGOs) and the Hong Kong Council of Social Service (HKCSS).

Way Forward

12.		The HKCS has proposed to set up an SME IT Support Centre to provide general IT advice service specific to SMEs. The proposed Centre will conduct free seminars, forums, and technical exchanges among the SMEs in addition to the hotline support service. It is estimated that the Centre can handle around 70% of the enquiries of the existing Services.

13.		According to the user statistics of the Services, there is still considerable demand for IT user support service for SMEs to exploit the full potential and benefits of IT towards e-commerce in a globally connected marketplace. In this respect, we have supported the HKCS to submit an application for the SME Development Fund for around $2 million in February 2005 to set up the SME IT Support Centre. In the submission, the HKCS has mentioned that the IT Easy Link for Businesses project (part of the Services) will end on 30 June 2005.

14.		Although the demand for providing IT advice to the general community appears to be decreasing with the general improvement in IT literacy, the HKCS has also approached major hardware/software suppliers with a view to seeking sponsorship and establishing partnership with the private sector to continue a service of reduced scale. Some hardware/software suppliers have already shown interest to provide such services to the general community as it is recognised that more business opportunities would arise for the industry when the public's IT literacy is raised. The introduction of a subscription based service for the public has also been explored.

15.		In addition, the HKCS is exploring cooperative opportunities to further expand the user support service to cover disadvantaged groups through NGOs and the HKCSS. For example, the HKCSS is lining up with non-governmental and social service organizations such as the Caritas Information Technology Advancement Centre, the Cybersenior Network Development Association Limited, the Hong Kong Blind Union, the Hong Kong Rehabilitation Power and the Hong Kong Women Development Association to provide IT user support services for their members and the community.

16.   In order to plan and execute a smooth and amenable transition of the general community services, the HKCS proposes a 9-month period starting from July 2005 to transform the Services and finalise the detailed arrangements with the potential sponsors and users. With the transformation, the HKCS expects the Services to become a self-supporting and self-financing service from April 2006 that can cater for the needs of the underprivileged and the general community.

17.   The HKCS is seeking sponsorship from the private sector and government of around $1 million to operate at a reduced level of service to the general community during the transition period from July 2005 to March 2006.   During this period, training and assistance will be provided to NGOs to enable them to start up a hotline service to their respective community groups they serve.   Sponsorship arrangements will also be finalised with the potential sponsors and a subscription based service will be planned and ready for introduction from April 2006 to serve the general community.

Advice sought

18.   Members are requested to note the proposed transformation of mode of operation of the IT Easy Link Services and the way forward beyond June 2005.

Office of the Government Chief Information Officer
Commerce, Industry and Technology Bureau
April 2005

Statistics on IT Easy Link Services

A. IT Easy Link Services
    Helpdesk 2111 2232
    Target users: general community (home users)

I. Key indicators

	July 2004 – Feb 2005 (actual)	July 2004 – June 2005 (projected)	July 2003 - June 2004	Year-on-year change
Total requests	77,812	120,000	132,310	(9%)
Daily average requests	320	329	362	(9%)
Total calls	101,293	152,000	177,995	(15%)
Daily average calls	417	416	488	(15%)

II. User Profile

	July 2004 – Feb 2005		July 2003 – June 2004	
Work group	Student	10%	Student	7%
	Employed	53%	Employed	59%
	Self-employed	12%	Self-employed	13%
	Housewife	9%	Housewife	9%
	Retired	9%	Retired	7%
	Others	7%	Others	5%

B. IT Easy Link for Businesses
   Helpdesk 2111 3328
   Target users: businesses

I.   Key indicators

	July 2004 – Feb 2005	July 2004 – June 2005 (projected)	July 2003 – June 2004	Year-on-year change
Total requests	10,552	16,000	12,952	24%
Daily average requests	64	65	52	25%
Total calls	12,619	19,800	15,952	24%
Daily average calls	76	80	64	25%

II.   User Profile

	July 2004 – Feb 2005		July 2003 – June 2004	
Industry group – Top 5	Import / Export	31%	Import / Export	26%
	Manufacturing	22%	Manufacturing	20%
	Business services	14%	Business services	14%
	Wholesale & retail	10%	Wholesale & retail	12%
	Community, social and personal services	9%	Community, social and personal services	12%