立法會
Legislative Council

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 7th meeting
held at the Legislative Council Chamber
on Friday, 3 March 2006, at 2:30 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, JP
Hon WONG Yung-kan, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk, JP
Hon Andrew CHENG Kar-foo
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip

Hon Frederick FUNG Kin-kee, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long
Hon Daniel LAM Wai-keung, BBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin
Hon TAM Heung-man

Members absent:

Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Martin LEE Chu-ming, SC, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon LAU Wong-fat, GBM, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Kwok-ying, MH
Hon MA Lik, GBS, JP
Hon CHEUNG Hok-ming, SBS, JP
Hon CHIM Pui-chung

Public officers attending:

Mr Frederick MA Si-hang, JP	Secretary for Financial Services and the Treasury
Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)

Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ms Bernadette LINN	Deputy Secretary for Education and Manpower
Ms Maisie CHAN	Principal Assistant Secretary for Education and Manpower (Infrastructure and Research Support)
Mr John CHAI, JP	Director of Civil Engineering & Development
Mr TANG Wai-yip	Chief Engineer (Land Works) of Civil Engineering & Development Department
Mrs Davina YUEN	Chief Project Manager of Architectural Services Department
Mr Peter MOK	Project Manager of Architectural Services Department
Mr Francis HO, JP	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Mr Howard DICKSON	Government Chief Information Officer
Mrs Betty FUNG, JP	Deputy Government Chief Information Officer (Planning and Strategy)
Mr Stephen MAK, JP	Deputy Government Chief Information Officer (Operation)

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1

Staff in attendance:

Miss Becky YU	Chief Council Secretary (1)1
Mrs Mary TANG	Senior Council Secretary (1)2
Ms Caris CHAN	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

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Item No. 1 - FCR(2005-06)45

RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 11 JANUARY 2006

The Chairman informed members that the item was originally scheduled for separate voting at the last meeting on 17 February 2006, but was postponed to the current meeting due to time constraints.

2.   The Chairman put FCR(2005-06)45 to the vote.   The Committee approved the proposal.

Item No. 2 - FCR(2005-06)46

CAPTIAL WORKS RESERVE FUND
HEAD 710 – COMPUTERISATION
Office of the Government Chief Information Officer
♦   **New Subhead "Enhancing the E-government Infrastructure to Support the New Strategy for E-government Service Delivery"**

3.   The Chairman informed members that the Panel on Information Technology and Broadcasting (ITB Panel) was consulted on the proposal at its meetings on 9 January and 13 February 2006.

4.   Mr SIN Chung-kai, Chairman of the ITB Panel, said that under the new strategy for e-government service delivery (the new strategy), the Government would be responsible for the development of the One-Stop Access Portal (OSP)/service clusters.   Concerns were raised on the Government's possible competition with the private sector for business, and waste of resources if the Government had to abandon the existing infrastructure and set up a new one.   The majority of deputations attending the meetings, with the exception of ESD Services Limited (ESDSL), were in support of the new strategy, but considered that there should be multiple providers for e-government services to provide reasonable choices to the public and to foster market competition.   While supporting the need for citizen-centric e-government services, some Panel members questioned how this could be achieved in a cost-effective manner if such services were to be provided by a single provider or multiple providers as proposed.   The Panel was not able to reach a consensus, but agreed that the Administration could submit the proposal to the Finance Committee for further deliberation.   Mr SIN added that being the member returned from the functional constituency of Information Technology, he supported the proposal.   He also stated that Members of the Democratic Party were supportive of the proposal.

5.   While not objecting to the introduction of the new OSP, Dr KWOK-Ka-ki enquired about the means through which the use of e-government services could be promoted as these services had not been widely patronized by the public. The Deputy Government Chief Information Officer (Planning and Strategy) (DGCIO(P&S)) explained that at present, the existing Electronic Service Delivery (ESD) Portal (ESDlife) operated by ESDSL provided access to 200 e-government services alongside its commercial offerings. However, users without a good understanding of Government's departmental structure would have difficulties in locating the requisite information and services. Such "government-centric" way of service delivery was the major reason for the generally low utilization of e-government services in Hong Kong. The problem could be addressed by creating a government-branded access portal and adopting a "citizen-centric" approach of service delivery. The new OSP would provide one-stop, end-to-end and user-friendly e-government information and services. It would involve the proactive engineering of government processes as well as integration/re-packaging of information and services across departmental boundaries which could not have been feasible if it was operated by the private sector. Under the new OSP, users would be able to access to a wide variety of online services, such as booking of appointment, submission of application, enquiry and payment of fee, thereby dispensing with the need to attend in person. By making use of the E-Government Infrastructure Service (EGIS) platform, the new OSP could add on any new e-government services and would not be subject to the existing limitations under the contract with ESDlife. To ensure successful implementation, there would be top-level sponsorship under the E-government Steering Committee chaired by the Financial Secretary and the Office of the Government Chief Information Officer (OGCIO).

6.   Mr WONG Ting-kwong noted that the publicity and promotion of the new OSP would incur $8 million of non-recurrent and $3 million of recurrent expenditure each year. He sought elaboration on the promotional activities involved. DGCIO(P&S) said that the new OSP would provide very useful information to overseas investors and those who intended to work and reside in Hong Kong. The estimate of $8 million non-recurrent expenditure was for launching and promoting the OSP/service clusters and the use of e-government services. Promotional activities would be conducted both locally and overseas, with the help of Economic Trade Offices and Invest Hong Kong. Major activities would include public education programmes, exhibitions and publicity campaigns. A non-conventional approach would be used to introduce the new OSP, in addition to the usual promotional activities, and marketing professionals in the private sector would be engaged for the purpose. As the new OSP would provide for a youth portal, measures which would be of appeal to youths would also be adopted. Once the prototype of the new OSP had been worked out, a presentation would be made to the ITB Panel. At members' request, the Administration would provide information on the publicity plans to promote the new OSP/service clusters.

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7.   Referring to his questions on the cost effectiveness of and justifications for developing a government-branded OSP to replace ESDlife tabled at the ITB Panel meeting on 13 February 2006, Mr Howard YOUNG said that he was pleased that the Administration had adequately addressed his concerns in its written reply to the Panel.   He then enquired about possible copyright infringement if the design of the new government-branded OSP was similar to the current ESDlife operated by ESDSL.   The Permanent Secretary for Commerce, Industry and Technology (Communications and Technology) (PSCIT(C&T)) said that the proposed government-branded OSP would involve a new design which would be quite different from ESDlife.   Unlike ESDlife which presented government services alongside commercial services and advertisements, the new OSP would offer a strong government branding through a one-stop gateway to a comprehensive range of government information and transaction services.   Given that services to be provided by the new OSP would be quite different from that being offered by ESDlife, he trusted that the problem of copyright infringement would not arise.

8.   Noting that the existing ESD contract with ESDSL would expire in January 2008, Mr Howard YOUNG enquired about the ownership of the copyright upon expiry of contract.   DGCIO(P&S) said that it had been set out in the ESD contract with Government that the copyright of ESDlife rested with ESDSL upon expiry of contract.   Should the Government wish to continue using the ESDlife brand and design, it would need to pay ESDSL for the right to use.   However, this would not be necessary since a new brand would be adopted for OSP under the new strategy for e-government service delivery.

9.   Mr Howard YOUNG further enquired if the new OSP could provide hyperlinks to ESDlife and other commercial services.   DGCIO(P&S) said that the Government would make use of EGIS platform to support the development of OSP/service clusters and introduction of new e-government services.   The new OSP would deliver government information and services through a number of service clusters developed on the basis of service areas.   To provide value-added services, the new OSP would provide hyperlinks to commercial services.   By way of illustration, the wedding portal provided by ESDlife could be hyperlinked to the marriage solemnization appointment services at the marriage registries in Hong Kong and vice versa.   While agreeing that the provision of hyperlinks would facilitate users in accessing to more information about related services, Mr YOUNG said that care should be taken to prevent the spread of computer viruses.

10.   Ms Audrey EU noted that if services provided by the private sector could be hyperlinked to the new OSP, it followed that solicitors appointed to act as civil celebrants for marriages could have their firms hyperlinked to the OSP/service clusters.   She then sought elaboration on the criteria, such as political consideration, for selecting these hyperlinks, and asked how the concept of fair competition would apply in the provision of these hyperlinks.   PSCIT(C&T) assured members that the provision of hyperlinks would be made in an open and fair manner and details of which would be set out in the tendering requirements.   Ms EU emphasized the need for fairness in the provision of hyperlinks to the OSP/service clusters.

11.   Mr Jasper TSANG enquired about the transitional interfacing arrangements in the delivery of e-government services from ESDlife to the new OSP.   The Deputy Government Chief Information Officer (Operation) (DGCIO(O)) said that the arrangements for terminating the e-government services provided by ESDSL had been set out in the ESD contract.   Upon termination of the contract, a hyperlink would be provided by ESDlife so that users could be redirected to the new OSP to ensure smooth transition in the delivery of e-government services.

Income and expenditure of OSP

12.   Referring to the phased implementation approach of the new strategy in paragraph 8 of the discussion paper, Mr Jasper TSANG noted that stage 3 on the introduction of private sector content and services would start from 2007 onwards and stage 4 on the introduction of private sector participation (PPP) would start after January 2008.   However, the recurrent public expenditure of $59.5 million per annum arising from the project would span from 2007-08 to 2011-12.   He was concerned about the possible duplication of expenses in this respect.   DGCIO(P&S) explained that the annual recurrent expenditure of $59.5 million would include hardware and software maintenance and communication, on-going support services, help desk services, publicity and promotion, and financial charges.   While the Government would explore possible revenue opportunities through collaboration with the private sector (e.g. provision of value-added content/services on the service clusters or PPP) in the second half of 2006, it might not be possible for OGCIO to use the revenue generated to offset the recurrent expenditure arising from the project since Government's expenditure and revenue were dealt with separately.   She further advised that the annual recurrent expenditure of $59.5 million would be absorbed by OGCIO through deployment of resources.   An annual report on the progress made on the new strategy for delivering e-government services, including the income and expenditure of the project, would be submitted to the ITB Panel for information.

13.   As the PPP approach for ESDlife was not found to be entirely satisfactory, Mr LEUNG Kwok-hung queried the justifications for introducing private sector content/services and PPP in stages 3 and 4 of the new strategy.   The problem of disclosure of personal information would be of concern in the outsourcing of services.   Experience of other companies also revealed that outsourcing of services had resulted in numerous complaints.   PSCIT(C&T) said that in contracting out services to the private sector, the contractors would need to abide by the statutory requirements in protecting personal privacy.   An expression of interest exercise would be launched to gauge market interest in providing value-added content and services and operating the service clusters.

14.   In view of the intangible benefits derived by the private sector service providers through the introduction of their services onto the service cluster of OSP Mr LEUNG Kwok-hung held the view that charges should be imposed on these providers to ensure that they would not make free use of the Government's platform

to promote their own businesses. PSCIT(C&T) said that the new OSP would be developed and launched by Government at the first two stages of implementation. It would welcome participation of the private sector at the later stage of development from 2007 onwards. DGCIO(P&S) added that while the new OSP was meant to facilitate the delivery of e-government services, a win-win situation could be achieved if both users and service providers could benefit from the value-added content/services under the service cluster approach. The Government would explore possible revenue opportunities through collaboration with the private sector, as in the case of provision of property information on rateable and rental values etc under the Property Information Hub project. However, it might not be appropriate to impose charges on services which aimed at facilitating the general public, such as integrated information on bus routes provided by various bus companies. The present proposal was meant to provide funding for developing and launching the OSP/service clusters under stages 1 and 2 of the new strategy and no provisions had been earmarked for implementing stages 3 and 4 on the introduction of private sector services and PPP.

15. Dr KWOK Ka-ki sought elaboration on the help desk services. DGCIO(P&S) explained that OSP users could seek assistance from the help desk either by phone or via e-mail. To reduce staff cost, consideration would be given to sharing the use of the Efficiency Unit's enquiry hotline number 1823. Outsourcing of enquiry service would also be explored as an alternative. On the Chairman's concern about disclosure of personal information if enquiries were handled by outsourced service providers, PSCIT(C&T) said that the enquiry service would only provide answers to first-level enquiries, such as the types of services offered, and more in-depth enquiries, such as those relating to the application itself, would be referred to the relevant departments.

Assistance to the physically impaired

16. Dr Fernando CHEUNG enquired whether the needs of the physically impaired had been taken into consideration in implementing the new strategy and whether provisions were made to facilitate their access to the new OSP. DGCIO(O) answered in the affirmative. In fact, meetings had been held with the associations for the blind on measures to ensure that online government information and services were easily accessible by the visually impaired. The web pages would be designed in a way to facilitate the visually impaired in their use of special assistive tools for web-browsing, such as screen readers which read the text out loud using a speech synthesizer. PSCIT(C&T) added that provisions had been earmarked for the development of hardware and software to facilitate the physically impaired in their access to e-government information and services. Efforts would be made to improve the accessibility of the visually impaired through the provision of training conducted in cooperation with the associations and the schools for the blind.

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17.　　The Chairman however noted that the present proposal had not set out the provisions earmarked for improving the accessibility for the physically impaired. DGCIO(P&S) explained that in procuring the hardware and software for the implementation of services, OGCIO would follow the established procurement guidelines on web accessibility.　To ensure that the needs of the physically impaired were met, these would be set out in the tendering requirements.

18.　　The Chairman put the item to vote.　The Committee approved the proposal.

19.　　The meeting was adjourned at 3:30 pm.

Legislative Council Secretariat
14 July 2006