

**Replies to initial written questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2006-07**

**Director of Bureau : Secretary for Commerce, Industry and Technology
Session No. : 1**

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**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau
(Communications and Technology
Branch)

Programme: (1) Broadcasting and Film Services

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Communications and Technology)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please provide the following information on the organization of the Hong Kong Entertainment Expo 2005:

- (a) How much manpower and expenditure were involved in the Expo 2005? What were the details?
- (b) Was the effectiveness of the Expo being assessed? If so, what were the details?
and
- (c) How much manpower and expenditure will be involved in the Expo 2006? What are the details?

Asked by : Hon. HO Chun-yan, Albert

Reply : The Hong Kong Entertainment Expo consists of the following eight entertainment-related events:

Hong Kong Film Awards
Hong Kong-Asia Film Financing Forum
Hong Kong International Film & TV Market
Hong Kong Digital Entertainment Excellence Awards
Digital Entertainment Leadership Forum
Hong Kong Independent Short Film & Video Awards
Hong Kong International Film Festival
IFPI Hong Kong Top Sales Music Award

The above events are organized by industry associations or independent statutory organizations with funds raised through different channels. Some of the events are sponsored by government departments or by funding schemes established by government departments to promote the development of the industry. The details of the sponsorship for 2005 and 2006 are listed in the following table:

Event	Sponsorship / From (2005)	Sponsorship / From (2006)
1. The overall organization and promotion of the Expo	\$1 million / Commerce, Industry and Technology Bureau (CITB) \$500,000 / Information Services Department	\$1.35 million / Film Development Fund \$1 million / Home Affairs Bureau (HAB)
2. Hong Kong Film Awards	\$1.5 million / CITB \$500,000 / HAB	\$2.26 million / Film Development Fund
3. Hong Kong-Asia Film Financing Forum	The Film Development Fund ceased operation this year. The CITB granted a special provision of \$700,000 to support the event.	\$2.56 million / Film Development Fund
4. Hong Kong International Film & TV Market	The Office of the Government Chief Information Officer (OGCIO) granted a provision of \$700,000 to sponsor the industry for establishing the Hong Kong Digital Entertainment Pavilion in the event.	OGCIO will grant a provision of \$850,000 to sponsor the industry for establishing the Hong Kong Digital Entertainment Pavilion in the event.
5. Hong Kong Digital Entertainment Excellence Awards	\$500,000 / OGCIO	\$330,000 / OGCIO
6. Digital Entertainment Leadership Forum	\$500,000 / OGCIO	\$440,000 / OGCIO
7. Hong Kong Independent Short Film & Video Awards	\$800,000 / Leisure and Cultural Services Department (LCSD)	\$780,000 / LCSD
8. Hong Kong International Film Festival	\$7.5 million / Hong Kong Arts Development Council	\$7.5 million / Hong Kong Arts Development Council \$1.5 million / HAB

As the Expo is organized by the industry, we do not have the information on the overall manpower and expenditure involved. According to the information provided by the organizers, the Expo 2005 had attracted 93 500 participants and all component events had attracted a record-breaking numbers of visitors. The Expo 2005 won overwhelming acclaims, and had a positive effect on promoting and facilitating the development of the local entertainment industry.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)002

Question Serial No.

1790

Head: 55 - Government Secretariat: Subhead (No. & title): 000 Operational
Commerce, Industry and expenses
Technology Bureau
(Communications and Technology
Branch)

Programme:

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Communications and Technology)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What are the 4 permanent posts and 1 supernumerary post to be deleted in 2006-07?
How much expenses will be saved?

Asked by : Hon. LEUNG Yiu-chung

Reply : The permanent posts and supernumerary post to be deleted in 2006-07 are the posts provided for the Hong Kong China Secretariat for ITU TELECOM WORLD 2006. These posts will be deleted after the hosting of the WORLD 2006 and a saving of \$1.04 million will be achieved. The posts to be deleted are as follows:

<u>Post</u>	<u>Number</u>
Senior Principal Executive Officer	1 (supernumerary)
Chief Executive Officer	1 (permanent)
Senior Executive Officer	1 (permanent)
Executive Officer I	2 (permanent)
Personal Secretary I	1 (permanent)

Moreover, one Administrative Officer post will be created in 2006-07 in support of the formulation of the anti-spamming policy in telecommunications. The estimated expenditure will be \$240,000.

Hence, a saving of \$800,000 will be achieved in 2006-07 as a result of posts deletion.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry
and Technology
(Communications and Technology)

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)003

Question Serial No.

1821

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau
(Communications and Technology
Branch)

Programme: (2) Telecommunications

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Communications and Technology)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : With respect to “preparing for and hosting the ITU TELECOM WORLD 2006”, please inform the Committee of the following:

- (a) The effectiveness of the promotion work carried out in 2005-06, and
- (b) What new promotional initiatives will be pursued for promoting WORLD 2006 to the telecommunication industries around the world in 2006-07 basing on the effectiveness of the efforts in 2005-06? What are the respective expenses of the initiatives?

Asked by : Hon. SIN Chung-kai

Reply : (a) In support of the promotional efforts of the International Telecommunication Union (ITU) TELECOM WORLD 2006 by the ITU, we have been launching a series of promotional activities around the world riding on major international information and communication technology (ICT) events since 2004. The relevant activities in 2005-06 include:

- (i) International ICT Expo 2005 in Hong Kong in April 2005;
- (ii) SuperComm 2005 in Chicago in June 2005;
- (iii) a promotional party for all ITU member states co-organized with the Ministry of Information Industry in Geneva in July 2005;
- (iv) a briefing session for the Macau industry in September 2005;
- (v) a revamped local website for the WORLD 2006 for easier access to the latest information in September 2005;
- (vi) PT/Wireless & Networks Comm China 2005 in Beijing in October 2005;
- (vii) “Feel Hong Kong!” Party co-organized with the Ministry of Information Industry in Beijing during the same period of the PT/Wireless & Networks

Comm China 2005;

(viii) 3GSM World Congress 2006 in Barcelona in February 2006; and

(ix) ITU WTDC-06 in Doha in early March 2006.

The promotional work carried out overseas and in the Mainland are very effective. The WORLD 2006 is well received by the governments and industries around the world. More than 10 countries, including Canada, Japan, U.S.A., France, Britain, Russia, Korea and Italy, have confirmed to establish their national pavilions and many multi-national ICT companies have decided to take part in the exhibition in the WORLD 2006. As at present, the ITU has leased 70% of the exhibition space. We will also establish the Hong Kong, China Pavilion with an area of 1 400 square metres to encourage the participation of the local small and medium enterprises.

- (b) Achievements have been made in 2005-06 in facilitating the governments and ICT companies around the world to take part in the exhibition in the WORLD 2006. We plan to further assist the ITU in its promotional efforts in 2006-07 in order to encourage more overseas visitors to participate in the event held in Hong Kong and to make the local industry and the public more aware of the event. We will issue e-newsletters to overseas and local ICT industry on a regular basis to provide them with the latest news of the WORLD 2006. We also plan to inform the overseas and local people of the event by means of the printed and electronic media and the information on the website. We will also enhance our promotion through the overseas Economic and Trade Offices of the Government.

In addition, we will also launch a business facilitation programme which is one of the channels to promote the WORLD 2006. Through exchange activities such as visits and seminars, the business facilitation programme aims at enhancing the overseas industry's understanding of the Mainland telecommunications market and arousing the interest of the industry to participate in the event. The business facilitation programme is divided into three stages and will be launched in Hong Kong and overseas in March, May and December 2006 (i.e. during the period when the WORLD 2006 is held).

In 2006-07, we have allocated \$2 million in our expenditure estimate to meet the overall expenses of the above activities.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau
(Communications and Technology
Branch)

Programme: (2) Telecommunications

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Communications and Technology)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : With respect to “facilitating the deployment of broadband wireless access technologies and services in Hong Kong”, please inform the Committee of the following:

- (a) What measures will be taken to facilitate the deployment of broadband wireless access technologies and services in Hong Kong in 2006-07? Will pilot schemes be implemented and public spaces/public estates/government buildings be chosen as broadband wireless access hotspots? What will be the respective expenses of the measures?
- (b) Which initiatives as mentioned in the measures under (a) will be partnered with the industry organisations or private enterprises? How will the relevant resources be deployed? Will there be any expenses saved under the initiatives or the effectiveness of which be improved subsequently?

Asked by : Hon. SIN Chung-kai

Reply : On regulatory measures to facilitate the deployment of public wireless local area networks (LAN), the Office of the Telecommunications Authority (OFTA) had introduced a class licence regime in 2003 for the provision of public wireless LAN services. Anyone who has registered with OFTA can provide the service without the need to pay any registration fees or licence fees. Currently, there are 24 public wireless LAN service providers operating over 700 hotspots. In 2004 and 2005, OFTA conducted two rounds of consultation on the regulatory arrangements and licensing framework for the deployment of Broadband Wireless Access (BWA) technologies and services. OFTA is now considering the submissions.

To facilitate the industry to conduct trials of BWA technologies, OFTA has been providing radio spectrum on a temporary basis for a total of eight trials since 2004, and will continue to provide radio spectrum for trial purpose in 2006-07 as necessary. These trials are conducted by the industry. At present, the Government does not have a specific plan to partner with the industry organisations or private enterprises to implement pilot schemes. Therefore, no resource has been earmarked for this purpose in 2006-07.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)005

Question Serial No.

1268

Head: 55 - Government Secretariat: Subhead (No. & title): 000 Operational Expenses
Commerce, Industry and
Technology Bureau
(Communications and Technology
Branch)

Programme:

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Communications and Technology)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Would the Administration explain to the Committee the specific reasons for the increase of over 40% in the estimate for the "General departmental expenses" under Subhead 000?

Asked by : Hon. TAM Heung-man

Reply : Under Subhead 000 "Operational expenses", the estimate for the "General departmental expenses" has increased over 40%. This is mainly due to the transfer of around \$10 million from the resources pooled among the Communications and Technology Branch and its departments for the preparation of the ITU TELECOM WORLD 2006 in 2005-06. In 2006-07, no such allocation is required and hence the resources pooled for the Secretary for Commerce, Industry and Technology to pursue new initiatives and activities within his policy areas has increased. We are now considering the use of the provision.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry
and Technology
(Communications and Technology)

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)006

Question Serial No.

2105

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau
(Communications and Technology
Branch)

Programme: (2) Telecommunications

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Communications and Technology)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Provision for 2005-06 has been increased by \$35.1 million for the pooling of resources of relevant departments for internal redeployment. How effective is the redeployment? What are the key initiatives under the redeployment of internal resources in 2006-07? What is the estimated amount of provision to be increased? How will the additional provision be used?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : The resources pooled for redeployment in 2005-06 are mainly used for the implementation of new initiatives and projects under the information technology and broadcasting policy area. The initiatives and projects have been implemented or nearly completed.

Part of the resources of the Communications and Technology Branch and its departments will continue to be pooled for the implementation of new initiatives and projects. In 2006-07, the provision to be transferred to Programme (2) Telecommunications is around \$20.3 million. We are now examining the proposals of the Communications and Technology Branch and its departments to decide on the allocation of the provision.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry
and Technology
(Communications and Technology)

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)007

Question Serial No.

0241

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (1) Support for Research and Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The 5 Research and Development Centres (“R&D Centres”) to be established by the Government will be responsible for the promotion of R&D activities in the technology areas of nanotechnology and advanced materials, textile and clothing, automotive parts and accessory systems, logistics and supply chain management enabling technologies, and information and communications technologies. Please inform this Committee:

- (a) how will the funding be allocated among projects? What are the principles for funding allocation?
- (b) what is the progress of each R&D centre?
- (c) what will be done to publicise the activities of the R&D Centres?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply : (a) The Government will provide funding support through the Innovation and Technology Fund (ITF) to the following 4 new R&D Centres to cover the set-up cost and the operating cost for the initial 5 years: nanotechnology and advanced materials, textile and clothing, automotive parts and accessory systems, and logistics and supply chain management enabling technologies. Regarding the R&D Centre on Information and Communications Technologies (ICT), as it will be subsumed into the Hong Kong Applied Science and Technology Research Institute Corporation Limited’s (ASTRI) existing organisational infrastructure, the Government will provide support to the R&D Centre through continuous provision of recurrent subvention. Besides, individual assessments will be conducted in accordance with the existing mechanism of ITF for R&D projects to be submitted by the R&D Centres and determine whether their funding applications should be approved. The allocation of provision to meet the set-up costs and operating costs in the initial 5 years required by the R&D Centres, and the expenditure incurred by the proposed R&D projects to be implemented in the coming years are estimated as follows:

<u>R&D Centres</u>	<u>Operating Costs</u> (<u>\$</u>)	<u>R&D Projects</u> (<u>\$</u>)
(i) Nanotechnology and Advanced Materials	61,400,000	209,000,000
(ii) Textile and Clothing	60,300,000	215,000,000
(iii) Automotive Parts and Accessory Systems	100,000,000	250,000,000

(iv) Logistics and Supply Chain Management Enabling Technologies	52,200,000	255,000,000
(v) Information and Communications Technologies	(See above)	<u>1,407,000,000</u>
Total:	273,900,000	<u>2,336,000,000</u>

- (b) We have set up a preparatory committee for each R&D Centre to follow up the preliminary work for their establishment, such as formulating its operation model and financial arrangement. Meanwhile, we are in the process of drafting various legal documents for setting up the R&D Centres. It is expected that the R&D Centres can start operation in the first half of 2006.
- (c) Since 2005, the Administration has been promoting the plan and the work of the R&D Centres through various channels, such as organising R&D Centres to participate in roadshows and seminars under the Innovation Festival in 6 locations in Hong Kong from July to September 2005, setting up promotion booths to introduce its work to the industry and the public in the Innovation Expo organised at the Hong Kong Convention and Exhibition Centre from 29 September to 2 October, and printing pamphlets and setting up websites for promotion. The Innovation and Technology Commission (ITC) has also introduced the R&D Centre programme to potential partners in the Mainland, the US, Europe, the UK and Japan to attract Mainland and overseas research institutes to collaborate with the R&D Centres. Moreover, the R&D Centres also participated in the China Hi-Tech Fair organised in Shenzhen in October 2005 to promote their work to the Mainland and overseas industries. ITC is planning to organise a launching ceremony for the R&D Centres and roadshows in the Pearl River Delta region in the first half of 2006, in order to enhance awareness of the industry and the public about the R&D Centres. The R&D Centres will formulate their own promotion plans, which will be launched after their official establishment.

Name in block letters	<u>Anthony S K Wong</u>
Post Title	<u>Commissioner for Innovation and Technology</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)008

Question Serial No.

0242

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (1) Support for Research and Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In 2005, the Innovation and Technology Commission (ITC) and the Guangdong Provincial Department of Science and Technology jointly invited applications under 6 technology areas. Please inform this Committee the details of the 6 technology areas, the response received and the vetting and approval principles for the applications.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply : In 2005, ITC and the Guangdong Provincial Department of Science and Technology jointly invited applications under the Guangdong-Hong Kong Technology Cooperation Funding Scheme (TCFS) in the following 6 technology areas: (a) Information and Communications Technology; (b) Critical Precision Manufacturing Technology; (c) Medical Biotechnology and Medical Device; (d) New Materials; (e) Food Safety and Agricultural Product Processing; and (f) Environmental Technology and Green Manufacturing.

TCFS was open for application in mid-2005. A total of 395 applications (89 from Hong Kong and 306 from Guangdong) had been received, among which 126 applications had been approved (32 from Hong Kong and 94 from Guangdong).

In considering a proposal, ITC will give due consideration to the followings:

- (a) the potential of the project to facilitate general upgrading and future development of the relevant industries in the Greater Pearl River Delta region; contribute to innovation and technology upgrading and broaden the scientific and technical knowledge base of the Greater Pearl River Delta region;
- (b) whether the project would involve collaboration with organisations in the Guangdong Province;
- (c) whether there is substantial contribution from the relevant industries in particular in the form of cash sponsorship;
- (d) whether there is a demonstrated need for the proposed project;
- (e) whether similar products, technologies or services are already available in the market, and whether the project is duplicating or likely to duplicate the work carried out by other institutions;
- (f) the overall planning and organisational structure of the project and the technical and project management capability of the project team i.e. the project team members' experience, qualifications, track record, and the resources available for the project;
- (g) whether the proposed budget is reasonable and realistic and whether the project

should be funded by other sources, such as other Government funding schemes;
and

- (h) whether the R&D content merits the participation of a local research institute and the commitment of the company and the research institute to the project in terms of financial contribution and manpower involvement; and whether the project should be delivered by the company as part of its normal business activities and development or service engagement.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)009

Question Serial No.

0243

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (1) Support for Research and Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The financial provision for 2006-07 is 9.4% lower than the revised estimate for 2005-06, whereas it is estimated that 81 additional projects will be funded and monitored by the Innovation and Technology Support Programme (ITSP), Guangdong-Hong Kong Technology Cooperation Funding Scheme (TCFS) and the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI). In this regard, please inform this Committee:

- (a) does it mean that the funding ceiling for the projects under the above programmes will undergo downward adjustment? If yes, what are the reasons?
- (b) are the above programmes subject to the same funding ceiling? How much is the funding ceiling?
- (c) will the funding reduction bring negative impact to the funded projects?
- (d) what initiatives will be introduced by the Government to support the innovation and hi-tech industry?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply : Financial provision for Programme (1) under Head 155 is \$2.3m (9.4%) lower than the revised estimate for 2005-06. This is mainly due to the reduced provision for the employment of non-civil service contract staff of the Innovation and Technology Commission (ITC) and reduced cash flow requirement for a non-recurrent item (Impact Studies on ITF Projects). ITC does not reduce its funding for research and development (R&D) projects.

The overall financial provision for the Innovation and Technology Fund (ITF), including but not limited to ITSP, TCFS and individual R&D projects undertaken by ASTRI, is detailed at Head 111. Payments from ITF for 2005-06 and 2006-07 are estimated at \$527,850,000 and \$794,786,000 respectively. The almost 50% increase in payment is mainly used for the funding of the Research and Development Centres (R&D Centres) to be established shortly and their R&D projects (including R&D projects undertaken by ASTRI), as well as the R&D projects funded by TCFS. Besides, we have not set any funding ceiling for the above funding schemes. We will assess the content of each R&D application and the funding amount is determined in accordance to its need. As a result, the change in provision will not bring any negative impact to the funded projects.

The Government has been facilitating the development of the innovation and hi-tech

industry by providing supporting services of different categories. For instance, ITF has been set up to support projects that can assist the industry to explore innovative ideas and upgrade its technological level, and are essential for the development of the industry. ITF will provide funding support for the establishment of the 5 R&D Centres responsible for the promotion and co-ordination of industry-oriented R&D activities. Moreover, the Government has established a number of industry support organisations, including the Hong Kong Science and Technology Parks Corporation, ASTRI and the Hong Kong Productivity Council etc., to provide comprehensive supporting and R&D services in various sectors of industry and technology areas, thereby offering concrete technical support to the industry, in particular the hi-tech industry.

Name in block letters	<u>Anthony S K Wong</u>
Post Title	<u>Commissioner for Innovation and Technology</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)010

Question Serial No.

0244

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (2) Fostering University-Industry Collaboration

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the University-Industry Collaboration Programme (UICP), please inform this Committee:

- (a) among the 18 applications approved in 2005, how many have been successfully commercialised in the market?
- (b) the number of projects funded and being monitored by UICP has been dropped from 100 in 2004 to 90 in 2005, and the number is estimated to be further lowered to 74 in 2006. Please provide reasons for this downward trend.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply : The Innovation and Technology Commission received and processed 18 applications under the UICP in 2005, 12 of them were approved. However, the funded projects generally require about 2 years for completion. Since these approved projects are still underway, we cannot provide the number of projects which have been successfully commercialised in the market.

Depending on the needs of the industry, the number of applications under UICP fluctuates every year. The number is expected to decrease in 2006 mainly because we believe that more industry collaborations will be carried out through the Research and Development Centres to be established. These projects will not be included in the statistics of the UICP.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)011

Question Serial No.

0245

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding projects funded by the Small Entrepreneur Research Assistance Programme (SERAP) and the Applied Research Fund (ARF) in 2004-05, please give details of the ones which were introduced into the market successfully and the resources involved.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply : Projects under SERAP would be carried out in two phases. In general, Phase I will not last more than 6 months. Contingent upon the success of Phase I, we may consider to fund the Phase II development, which will not last for more than 18 months.

Among the 64 projects funded by SERAP in 2004-05, 52 are still underway, and the remaining 12 have been successfully introduced into the market, involving a total funding of about \$10.62 m. Products or services introduced into the market include e-commerce software, equipment for 3D viewing of digital photos, mobile phone games, equipment for electronic safety surveillance system, Putonghua learning system and high-speed IC chips.

Regarding ARF, a new investment project was approved in 2004-05, involving an investment of \$8 m. The investee is engaged in the business of providing digital effects to movies and 3D computer animation.

Name in block letters

Anthony S K Wong

Post Title

Commissioner for Innovation and Technology

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)012

Question Serial No.

0246

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (4) Planning for Innovation and Technology Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : It is expected that the number of applications received and approved under the General Support Programme and the Internship Programme might increase significantly, whereas the provision for 2006-07 is reduced by 25.4%. Please give details of the possible areas affected by the funding reduction. What measures will be adopted by the Government to ensure that the 2 programmes mentioned above will not be affected by the reduced funding?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply : Programme (4) comprises of various programmes and expenditure items. The provision for 2006-07 is \$8.6 million (25.4%) lower than the revised estimate for 2005-06. This is mainly due to the reduced cash flow requirement for a non-recurrent item (Innovation Expo). The Innovation and Technology Commission has not reduced the funding for the projects of the General Support Programme (GSP) and the Internship Programme (IP).

It is estimated that the number of applications under GSP will increase by 15 in 2006. However, since some of the funded projects are expected to complete during the year and no further funding is required, therefore, although the estimated overall provision for GSP in 2006-07 is \$9.84m, 7.0% lower than the \$10.58m provision in 2005-06, the estimated provision for each approved project in 2006-07 is similar to that of 2005-06.

The estimated overall provision for IP is \$3.45m in 2006-07, about 55% higher than the \$2.23m provision in 2005-06. Moreover, the estimated provision for each approved project in 2006-07 is similar to that of 2005-06.

Name in block letters

Anthony S K Wong

Post Title

Commissioner for Innovation and Technology

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)013

Question Serial No.

0247

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (5) Infrastructural Support

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The estimated financial provision for infrastructural support in 2006-07 increases by 42.4%, mainly used for the DesignSmart Initiative. Please give details of the estimated expenditure of the Initiative and the measures taken by the Innovation and Technology Commission (ITC) to ensure that the increased resources are used effectively.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply : The estimated provision for Infrastructural Support in 2006-07 is \$53.7m, among which \$40m will be used for the DesignSmart Initiative. The Initiative was set up with \$250m funding approved by the Legislative Council in June 2004 to promote wider use of design and innovation in industries to help them move up the value chain. The breakdown of the expenditures in 2006-07 is as follows:

<u>Item</u>	<u>Estimated Expenditure</u>	<u>Details</u>
Design Support Programme (DSP)	\$25m	To fund projects in the areas of general support, design research, design-business collaboration or professional continuing education.
InnoCentre	\$15m	The InnoCentre is jointly developed by the Hong Kong Science and Technology Parks Corporation (HKSTPC) and the Hong Kong Design Centre (HKDC). Among the estimated expenditure, \$10m will be used to support HKDC to conduct planning and development work, and to provide one-stop service, including professional education and training, a design resource centre and activities for networking among industries. The remaining \$5m will be used to support HKSTPC to incubate 20 design companies in the InnoCentre.

An Assessment Panel, chaired by the Commissioner for Innovation and Technology (CIT) and comprising Government officials, designers, industrialists, businessmen, representatives from business associations and academics, has been formed under the Initiative. All applications under DSP are subject to the examination of the Assessment Panel. Projects supported by the Assessment Panel and approved for funding should be conducted according to relevant funding requirements and project agreements. Upon completion of the projects, recipients are required to submit project reports and audited financial statements to the Assessment Panel for examination.

Moreover, the Government has entered into memorandums of administrative arrangements with HKSTPC and HKDC respectively, stipulating the terms for the funding of the InnoCentre and the Incubation Programme, including the requirement for annual submission of estimates for the next year and a programme report and an audited financial statement for the previous year to CIT for approval.

Name in block letters	<u>Anthony S K Wong</u>
Post Title	<u>Commissioner for Innovation and Technology</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)014

Question Serial No.

0693

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (5) Infrastructural Support

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The revised financial provision for 2005-06 is \$37.7m, which is almost 40% lower than the original provision of \$61.9m, whereas the estimate for 2006-07 is increased by 42.7% to \$53.7m. Please inform this Committee:

- (a) why is the revised provision for 2005-06 dropped by almost 40% than the original provision? Is the decrease in expenditure due to any suspension of scheduled programmes or other reasons? Please provide explanation.
- (b) how is the increased provision for 2006-07 projected? Will it be spent on any specific programmes?

Asked by : Hon. LEUNG LAU Yau-fun, Sophie

Reply : (a) The expenditure required for the programme Infrastructural Support is mainly used for the DesignSmart Initiative. The Initiative was set up with \$250m funding approved by the Legislative Council in June 2004 to promote wider use of design and innovation in industries to help them move up the value chain. The Initiative comprises the Design Support Programme (DSP) to fund projects in the areas of general support, design research, design-business collaboration or professional continuing education, and the InnoCentre, which is jointly developed by the Hong Kong Science and Technology Parks Corporation and the Hong Kong Design Centre to provide one-stop service for promoting design.

The discrepancy between the revised provision for 2005-06 and the original is mainly due to the revised expenditure for the Initiative. Such revision is made because the number of actual applications received under the Initiative and the required funding are lower than our original projection, and the planning and work of the InnoCentre lag slightly behind the schedule. InnoCentre has started operation in phases, and is expected to operate in full swing in the third quarter of 2006.

- (b) Due consideration in various aspects has been made for working out the requirement of additional provision for 2006-07, such as the actual operation of DSP in the previous year and the required expenses upon the full operation of the InnoCentre. The one-stop services provided by the InnoCentre include professional education and training, a design resource centre and activities for networking among industries.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)015

Question Serial No.

2060

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title): 000 Operational Expenses

Programme:

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What are the details of the 3 permanent posts to be deleted in 2006-07? How much expenditure will be saved in this regard?

Asked by : Hon. LEUNG Yiu-chung

Reply : In 2006-07, the Innovation and Technology Commission (ITC) will delete 3 permanent posts, namely 1 Senior Electronics Engineer, 1 Engineer and 1 Assistant Clerical Officer. The 3 posts are to be deleted as there is no need to retain them after re-engineering of duties within ITC. In terms of the notional annual mid-point salary value, about \$1.53m can be saved following the deletion of these 3 posts.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)016

Question Serial No.

1815

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (7) Subvention: Hong Kong Productivity Council, Hong Kong Applied Science and Technology Research Institute Company Limited

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI), please inform this Committee:

- (a) to “develop needed technical human resources” is one of the missions of ASTRI. What measures will be introduced in 2006-07 to fulfil this mission? How much expenditure will be involved for each measure?
- (b) what research and development (R&D) projects will be carried out under the 4 key technological domains? How much expenditure will be involved respectively?
- (c) what technologies developed by its R&D projects will be promoted to the industry in 2006-07? What technologies are expected to be successfully transferred to the industry in the year? How much expenditure will be involved for such promotion and relevant activities?
- (d) regarding the estimate for ASTRI's operating expenses, what is the proportion of ASTRI's funding for its subsidiaries (e.g. Hong Kong Jockey Club Institute of Chinese Medicine Limited(HKJCICM)) to the overall estimate of ASTRI? Apart from the funding to its subsidiaries, what is the proportion of ASTRI's operating expenditure (including items such as administrative support, publicity and R&D projects etc.) to its overall estimate?

Asked by : Hon. SIN Chung-kai

Reply : (a) In 2006-07, ASTRI will continue to work closely with local universities in launching the Industrial Attachment Scheme and the Co-operative Education Scheme to nurture a new generation of experts in hi-tech industries and professional talents. ASTRI staff, comprises of experienced overseas and Mainland experts in technologies, will be responsible for providing support and guidance to the student researchers participating in the Schemes. Besides, ASTRI will strengthen its in-house training in order to enhance technological knowledge and skills of its staff, thus facilitating an overall upgrading of the local technology level. The estimated expenditure for such training programmes in 2006-07 is about \$1.53 m.

- (b) The expenditure for ASTRI's R&D projects is funded by the Innovation and Technology Fund (ITF), instead of the subvention under Head 155. In 2006-07, the estimated expenditure for the 4 key technological domains, namely Communications Technologies, Consumer Electronics, Integrated Circuit Designs and Optoelectronics, is \$237 m. The preliminary research programme for each domain is detailed at the Annex.
- (c) In 2006-07, ASTRI will promote the following technologies to the industry:
- Internal antennas;
 - WiFi technology platform;
 - WiMAX technology platform;
 - UWB technology platform;
 - Intelligent multimedia communication platform;
 - Duet;
 - Digital living platform;
 - HD TV platform;
 - LP-MAP-8;
 - DSM-portable media player IC design;
 - Analog mixed signal design technology platform;
 - LED device technology platform;
 - Point source LED;
 - SiP technologies platform;
 - Low cost high density packaging; and
 - Heat dissipation

ASTRI expects to transfer most of the above technologies successfully to the industry. The estimated expenditure involved for the promotion and relevant work is about \$2 m.

- (d) In 2006-07, ASTRI will provide a funding of \$8.2 m to its subsidiaries, representing 6.8% of ASTRI's overall estimate. Apart from such funding, the proportions of ASTRI's operating expenses to its overall estimate are as follows:

Payroll cost	46%
Other administrative support	21%
Rental and relevant costs	12%
Professional consultancy costs	10%
Computers and laboratory equipment	9%
Promotion expenses	2%

As mentioned in (b), the R&D expenditure is funded by ITF and is therefore excluded from the recurrent subvention for operation.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Projects under Key Technological Domains

Technological Domain	Project Title	Estimated Expenditure for 2006-07
Communications Technologies	<ul style="list-style-type: none"> ● Internal Antennas CoE ● Re-configurable OFDM Core ● WiFi/WiMAX Dual-mode Core ● Practical MIMO Core ● Turbo Charged WiFi ● WiMAX BTS Technologies ● CWMS ● WiMAX Security ● Mobile and Wireless Application Platform ● UHADA ● UWB Technology Platform R&D ● UWB Applications R&D 	\$63 m
Consumer Electronics	<ul style="list-style-type: none"> ● PMD ● Triple Play STB ● Intelligent Multimedia Communication Platform ● Duet ● HMC with Storage/Sync ● Digital Living Platform ● TD-SCDMA 3G Multimedia Platform ● HD TV Platform ● P2P Enabled Multimedia Comm 	\$59 m
IC Designs	<ul style="list-style-type: none"> ● Electric Write Once Memory ● H.264 IC ● Java IC ● LP-MAP-8 ● DSM-Portable Audio Video IC design ● DSM-Portable Media Player IC Design ● Analog Mixed Signal Design Technology Platform ● Power Management and CCD Camera IP Platform 	\$51 m
Optoelectronics	<ul style="list-style-type: none"> ● LED Backlight Unit ● Energy Efficient and Cost Effective LED for Area Lighting ● LED Device Technology ● Point Source LED ● Fiber Optics Transceiver ● Optical Plastic Optical Fiber Sensor Applications ● Smart Optical Sensor ● Low Cost SIP Technologies ● SiP Technologies Platform ● Low Cost High Density Packaging ● Heat Dissipation ● Next Generation Batteries 	\$64 m
Total	41 projects	\$237 m

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)017

Question Serial No.

1816

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (7) Subvention: Hong Kong Productivity Council, Hong Kong Applied Science and Technology Research Institute Company Limited

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the Hong Kong Productivity Council (HKPC), please inform this Committee:

- (a) what new supporting measures will be introduced for the local information technology (IT) industry in 2006-07? How much expenditure will be involved for each measure?
- (b) what supporting services will be introduced to encourage wider use of IT by the manufacturing industry to promote their production efficiency and standard? How much expenditure will be involved for such projects?
- (c) with the operation of the Research and Development Centre (R&D Centre) in Automotive Parts and Accessory Systems, will the Government strengthen the co-operation between the automotive manufacturing industry, the transport industry and the IT industry by, for instance, conducting R&D projects relevant to the intelligence transport system?

Asked by : Hon. SIN Chung-kai

Reply : (a) In 2006-07, HKPC will continue to provide comprehensive supporting services to help the local IT industry enhance their competitiveness. Major measures are as follows:

- ◆ Regarding the software engineering technology, consultancy services in the areas of “Capability Maturity Model Integration” and “Capability Maturity Model for Software” are provided. It is planned that a feasibility study on the establishment of a software testing centre will be conducted.
- ◆ To assist the local industry to leverage on the opportunities offered by the open source software market developing in the Mainland, to facilitate joint development of the software industries between Guangdong and Hong Kong by pooling resources for IT promotion in Hong Kong and Guangzhou, and to explore the possibility of further extending the scope of relevant collaboration plans to the Pan-Pearl River Delta (PRD) region.
- ◆ To operate the Hong Kong System Integration Qualification Assessment Centre, thereby assisting local enterprises to obtain certification issued by the

Ministry of Information Industry (MII) of the PRC; to explore the feasibility of the Centre issuing independent certification within this year; and to provide management training to local professionals on Mainland's system integration projects.

- ◆ To jointly implement the 3G Cyberport Project with relevant business associations to promote 3G application, and to promote Mainland's 3G standard (TD-SCDMA) to the local industry and assist them in conducting tests for their products for market adaptability with regard to the Mainland 3G market.
- ◆ To operate the Digital Entertainment Industry Support Centre to promote the development of electronic games, animation and special effects for film production, and to assist the local industry, in particular the digital game and cross-media industries, to enter the Mainland market.
- ◆ To take up the role of the Secretariat of the Hong Kong Information and Communications Technology Awards to give recognition to the achievements of the local IT industry in the application of innovation and technology.
- ◆ To operate the Hong Kong Computer Emergency Response Team Coordination Centre, and to assist in the establishment of other computer emergency response team coordination centres in Hong Kong and the Mainland, thus upgrading information security of both places.
- ◆ To promote the best practice and relevant technical solutions to tackle spam emails.

The above measures involve a total expenditure of \$30 m.

- (b) To support the manufacturing industry to enhance production efficiency and standard, HKPC will implement the following measures to encourage IT application:

- ◆ To organise conferences and workshops to promote the concept of e-Factory and introduce a series of new hands-on technical training, including the topics of e-logistics, IT infrastructure and security, e-finance technology, strategic e-enterprise application, etc.
- ◆ To provide comprehensive consultancy services to assist small-and-medium-sized-enterprises to apply enterprise resources planning and make better use of IT, involving the areas of projection of demand, choice of system, implementation facilitation, project management, etc.

The above measures involve a total expenditure of \$10 m.

- (c) The R&D Centre in Automotive Parts and Accessory Systems has 4 key research directions, including automotive-related electronic and software technologies. In this area, the R&D Centre will co-operate with interested industries, such as the automotive manufacturing industry, transport industry and IT industry, to ensure industry relevance of the R&D results. R&D projects being planned include built-in intelligence transport systems, car infotainment and navigation system, etc.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)018

Question Serial No.

1817

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (5) Infrastructural Support

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : For “assist(ing) ASTRI in building up its R&D capabilities”, please inform this Committee:

- (a) what measures will be introduced in 2006-07 to enhance ASTRI's R&D capabilities? How much expenditure will be involved for each measure?
- (b) which of the projects mentioned in (a) are meant to help ASTRI strengthen its networking and collaboration with the local industry, with a view to ensuring relevance of ASTRI's R&D projects to the needs of the local industry?

Asked by : Hon. SIN Chung-kai

- Reply :
- (a) In 2006-07, ASTRI will establish a Research and Development Centre (R&D Centre) in Information and Communications Technologies (ICT) within its existing organisational infrastructure to enhance its R&D capabilities. ASTRI will focus its R&D activities on 4 major technology areas. R&D projects will be conducted in a top-down approach for key development, thereby strengthening ASTRI's R&D capabilities. ASTRI will also upgrade the local R&D technological level by a number of measures, such as conducting more R&D projects and recruiting more R&D talents. Moreover, ASTRI actively seeks collaboration with leading technology companies, universities and other R&D institutes with a view to inviting them to participate in the activities of the ICT R&D Centre. These research partners and ASTRI can complement each other in technology expertise and business acumen. The relevant expenditure is included in ASTRI's daily operating funds. We have not established any specific item to meet the expenditure for further strengthening R&D capabilities.
 - (b) When formulating the long-term strategic plan of the ICT R&D Centre, ASTRI will invite proposals from industry organisations and universities, and collect views through seminars and public consultation with the industry. In drawing up the annual plan and the R&D roadmap, ASTRI will again collect the views of the industry and academia before drawing up the draft annual plan for consideration by its Domain Advisory Committees (each comprising local academic and industry leaders in the respective technology area) and Technology Advisory Committee (comprising international experts). Based on their advice, ASTRI will revise the annual plan as appropriate and submit the

plan to ASTRI's Board of Directors and the Innovation and Technology Commission for approval. The above procedures ensure that every annual plan is relevant to the needs of the industry and contain necessary technology elements.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)019

Question Serial No.

1818

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (4) Planning for Innovation and Technology Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : For “organis(ing)... events to foster and promote an innovation and technology culture in the community”, please inform this Committee:

- (a) what projects will be organised in 2006-07 to foster and promote an innovation and technology culture in the community? How much expenditure will be involved for each project?
- (b) which of the projects mentioned in (a) are target at local youths to encourage them to pursue education relevant to innovation and technology, thus enriching our pool of R&D talents? What are the details of such projects? How much expenditure will be involved?

Asked by : Hon. SIN Chung-kai

Reply : (a) The Innovation and Technology Commission (ITC) will continue to organise the Hong Kong Student Science Project Competition (HKSSPC) jointly with the Education and Manpower Bureau, the Hong Kong Federation of Youth Groups and the Hong Kong Science Museum. Meanwhile, we are planning to organise the Innovation Festival again in the second half of this year. Events for this year will target at the youths, and activities being considered include roadshows, My Favourite Inventions for Quality Living Competition, interactive workshops and an exhibition to showcase works of innovation and technology by young people. To promote young people's interest in R&D and cultivate young technology talents, we will launch training programmes in the coming summer vacation with the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) and the Research and Development Centre in Nanotechnology and Advanced Materials (Nano R&D Centre). Winners of the HKSSPC and other innovation and technology competitions for youths will undergo training at the 2 organisations. Separately, a 6-episode TV series “Technofrontier” jointly produced with the Radio Television Hong Kong is being broadcast between mid-February to late March this year. It features the latest technological development and results achieved by researchers in Hong Kong. We will continue to co-operate with the media in 2006-07 to promote an innovation and technology culture in the community.

The estimated expenditure for HKSSPC 2006 is about \$1.2 m. The expenditure for the training programmes organised by ASTRI and the Nano R&D Centre will be

met by the 2 organisations. As for the Innovation Festival, we do not have the figure for the estimated expenditure for the moment as the event is still in the course of planning.

- (b) The above activities are organised for local youths with a view to promoting their interest and awareness in innovation and technology, stimulating their innovative mind and potential in science and technology, hence encouraging them to acquire knowledge in innovation and technology or pursue education in relevant fields. Please refer to (a) for details of the activities and the expenditures involved.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)020

Question Serial No.

1819

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the pilot mentorship programme run in 2005-06, please inform this Committee:

- (a) how many companies funded by the Small Entrepreneur Research Assistance Programme (SERAP) joined the pilot mentorship programme in 2005-06? What is the proportion of the participating companies to the total number of companies funded by SERAP? What are the selection criteria of the programme?
- (b) how effective is the programme? Will the programme continue to operate in 2006-07? If yes, what will be the scale? Will it be extended to all the funded companies? How much expenditure is expected to involve?

Asked by : Hon. SIN Chung-kai

- Reply :
- (a) The pilot mentorship programme was launched in 2005. Since it is a pilot scheme, only 7 companies funded by SERAP participated in it in 2005-06, representing 3% of the total number of the funded companies in the past 6 years. The selection criteria include whether there are obvious shortcomings in the business operation of the company, whether the mentor's commercial experience can help the company, and whether the company is willing to join the programme.
 - (b) The 2-year pilot mentorship programme will continue to operate in 2006-07. We will evaluate its effectiveness after completion of the programme. At the moment, we have no plan to extend the programme to all the funded companies. The Innovation and Technology Commission has not earmarked additional provision for the programme, and the administrative expenses involved will be met by the existing resources.

Name in block letters

Anthony S K Wong

Post Title

Commissioner for Innovation and Technology

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)021

Question Serial No.

1820

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (1) Support for Research and Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the “technology transfer plans” and “transfer(ring) technologies...for commercialisation”, please inform this Committee:

- (a) what measures will be introduced in 2006-07 to “give more emphasis to the technology transfer plans of funded projects”? How much expenditure will be involved?
- (b) what measures will be introduced in 2006-07 to transfer technologies to the industry? What projects will be launched in collaboration with industry organisations to enhance the effectiveness of such measures?

Asked by : Hon. SIN Chung-kai

Reply : Applicant organisations for the Innovation and Technology Support Programme (ITSP) are required to give detailed information on how to promote their project results and transfer the technology to the industry in their applications. In 2006-07, we will continue to require the funded projects to follow the above arrangement. As the expenses required for the promotion of project results would be subsumed into the estimated expenditure for the funded projects, they are not included under Head 155.

Moreover, the Innovation and Technology Fund (ITF) has formulated a new operation mode for the 5 Research and Development Centres (R&D Centres) to be established in 2006-07. The R&D projects of these Centres must obtain industrial support and sponsorship to ensure that the R&D results are relevant and able to be transferred to the industries. Under this operation mode, the industry can co-operate with the R&D Centres by developing technology platforms, forming consortiums, providing sponsorship, forming partnership and undertaking contract researches, thus finally have the technologies transferred to them. Among all these, the development of technology platforms and the formation of consortia are considered most suitable for collaboration and most effective for technology transfer.

Name in block letters

Anthony S K Wong

Post Title

Commissioner for Innovation and Technology

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)022

Question Serial No.

1863

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (5) Infrastructural Support

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The estimated expenditure for 2006-07 is \$1.6m higher than the revised expenditure for 2005-06. This is mainly due to the increased cash flow requirement for the “DesignSmart Initiative”. Can the Administration provide detailed information on the Initiative, its effectiveness and evaluation mechanism?

Asked by : Hon. TAM Heung-man

Reply : The DesignSmart Initiative was set up with \$250m funding approved by the Legislative Council in mid-2004 to promote wider use of design and innovation in industries to help them move up the value chain.

One of the elements of the Initiative is to fund projects in the areas of general support, design research, design-business collaboration or professional continuing education through the Design Support Programme (DSP). As at the end of February 2006, DSP had approved a total of \$35m to fund 20 projects on design-related seminars, conferences, exhibitions, competitions, continuing education and thematic studies. The estimated expenditure for DSP in 2006-07 is \$25m.

Another element of the Initiative is to support the Hong Kong Design Centre (HKDC) and the Hong Kong Science and Technology Parks Corporation (HKSTPC) to jointly establish an InnoCentre to promote development in design. Among the estimated expenditure in 2006-07, \$10m will be used to support HKDC to conduct planning and development work and to provide one-stop service, including professional education and training, a design resource centre and activities for networking among industries. Another \$5m will be used to support HKSTPC to incubate 20 design companies in the InnoCentre. The InnoCentre has started operation in phases to tie in with the renovation programme which is underway, and is expected to operate in full swing in the third quarter of 2006.

An Assessment Panel, chaired by the Commissioner for Innovation and Technology (CIT) and comprising Government officials, designers, industrialists, businessmen, representatives from business associations and academics, has been formed under the Initiative. All applications under DSP are subject to the examination of the Assessment Panel. Projects supported by the Assessment Panel and approved for funding should be conducted according to relevant funding requirements and project agreements. Upon completion of the projects, recipients are required to submit project

reports and audited financial statements to the Assessment Panel for examination.

Moreover, the Government has entered into memorandums of administrative arrangements with HKSTPC and HKDC respectively, stipulating the terms for the funding of the InnoCentre and the Incubation Programme, including the requirement for annual submission of estimates for the next year and a programme report and an audited financial statement for the previous year to CIT for approval.

Name in block letters	<u>Anthony S K Wong</u>
Post Title	<u>Commissioner for Innovation and Technology</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)023

Question Serial No.

0752

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please inform this Committee the numbers of the applications received and the projects funded by the Small Entrepreneur Research Assistance Programme (SERAP). How many resources will be allocated in 2006-07? Is it necessary increase the provision to cope with the future needs?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : SERAP received 326 new applications from 2003 to 2005, among which 135 projects were approved for funding. It is expected that \$49.34 m will be used to fund the approved projects in 2006-07. SERAP is one of the 4 funding schemes under the Innovation and Technology Fund (ITF). Its resources come from ITF and additional provision is not required.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)024

Question Serial No.

0753

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : As the Applied Research Fund (ARF) will cease operation, how much manpower and administrative expenditure can be saved? Is there any arrangement for manpower deployment?

Asked by : Hon. TSANG Yok-sing, Jasper.

Reply : Although ARF has ceased investing in new projects since March 2005, the Applied Research Council (ARC) remains in operation until it has fully exited from the existing investment projects. As at the end of 2005, ARC was still monitoring 20 investment projects. At present, the ARC Secretariat is operated under the Innovation and Technology Commission (ITC). Relevant work is performed by a few ITC staffs among their other duties. It is expected that the manpower requirement in the coming year and ARF's administrative expenses (including management fee paid to fund managers, and costs for preparing year-end financial accounts and audits, etc.) are similar to that of last year. The relevant administrative expenditure will drop significantly when we exit from most of the existing investment projects in the coming years as expected.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)025

Question Serial No.

2102

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (1) Support for Research and Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Guangdong-Hong Kong Technology Cooperation Funding Scheme (TCFS) provided \$300 m to fund 67 applied research and development (R&D) projects in 2004. Please advise the tangible and intangible results achieved by the above projects. How many of the projects have been successfully commercialised? What is the progress for assessing and approving the 89 applications received by Hong Kong? How much resource will be commissioned by Hong Kong to continue its support of TCFS in the following year?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : In 2004, Guangdong and Hong Kong provided about \$300 m to support 67 projects under TCFS, among which, 43 and 24 projects were funded by Guangdong and Hong Kong respectively. The total funding provided by Hong Kong for the 24 projects was about \$130 m. These projects generally last for 2 to 3 years and are expected to complete between end 2006 and 2007. Since these projects are still underway, it is difficult to evaluate their effectiveness at present. The Innovation and Technology Commission (ITC) will continue to monitor their progress.

In 2005, Hong Kong received 89 applications under TCFS and the assessment was finished at the end of 2005. We decided to support 32 projects, with a total funding of about \$130 m.

Guangdong and Hong Kong agreed to continue implementing TCFS in 2006. ITC and the Guangdong Provincial Department of Science and Technology are discussing the specific arrangements, including the technology areas to be supported and the funding amount. It is expected that such arrangements would be announced in mid-2006.

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)026

Question Serial No.

2356

Head: 155 – Government Secretariat : Innovation and Technology Commission Subhead (No. & title):

Programme: (1) Support for Research and Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Will large-scale promotion fora be organised in the Mainland to promote the 5 Research and Development Centres (R&D Centres) in 2006-07? If yes, what are the specific contents of such promotion fora? How much is the estimated expenditure?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : In October 2005, the 5 R&D Centres set up exhibition booths at the Hong Kong Pavilion of the “China Hi-Tech Fair” held at Shenzhen to promote their work.

Apart from organising promotional activities in Hong Kong, the R&D Centres will also launch publicity programmes in the Mainland, especially the Pearl River Delta Region. We are planning to organise roadshows in 4 cities of the Guangdong Province in mid-2006. We would, through seminars and exhibitions, introduce to Mainland R&D institutions and enterprises the mode of collaboration with as well as the business opportunities to be offered by the R&D Centres. The estimated expenditure is \$869,000.

Name in block letters

Anthony S K Wong

Post Title

Commissioner for Innovation and Technology

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)027

Question Serial No.

0862

Head: 111 – Innovation and Technology

Subhead (No. & title): 105 Establishment of
Research and
Development Centre
for Textile and
Clothing
106 Establishment of
Research and
Development Centre
for Automotive Parts
and Accessory
Systems

Programme:

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The estimated expenditures for Subhead 105 (Establishment of Research and Development Centre for Textile and Clothing) and Subhead 106 (Establishment of Research and Development Centre for Automotive Parts and Accessory Systems) increase from \$6.15 m and \$11.29 m in 2005-06 to \$10.1 m and \$23.58 m in 2006-07 respectively. Please give detailed information on how the increased provision will be used to support the industry to undertake research and development (R&D) projects.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply : Subheads 105 and 106 are created for the establishment of the Research and Development Centre for Textile and Clothing and the Research and Development Centre for Automotive Parts and Accessory Systems respectively. Provisions under these subheads are to meet payments for their operating cost (including staff salary, office and laboratory equipment, testing and accreditation equipment, rent and administrative support service etc.) for the initial 5 years. Since it is expected that these Centres will be established in the course of 2006, their estimated expenditures in 2005-06 are not in full-year term. However, the Centres will start operation in 2006-07 and their estimated expenditures are in full-year term. Therefore, the estimated provision for the 2 Centres in 2006-07 is obviously higher than that of 2005-06.

The establishment of these Centres will provide one-stop service to the industry, including information on the latest technology development, market intelligence and industry-oriented R&D activities. The Government will provide funding for R&D Centres' operating expenses, as well as individual R&D projects undertaken by the Centres. These Centres still have to submit applications for individual R&D projects to the Innovation and Technology Fund and obtain approval before launching. The funding provisions for individual projects will continue to be subsumed under Subhead 101 (Block Vote).

Name in block letters Anthony S K Wong

Post Title Commissioner for Innovation and Technology

Date 8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)028

Question Serial No.

2062

Head: 47 – Government Secretariat : Office of the Government Chief Information Officer Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please advise on the details and cost saving of the five permanent posts proposed for deletion in 2006-07.

Asked by : Hon. LEUNG Yiu-chung

Reply : The net deletion of the five permanent posts proposed for 2006-07 is based on the following creation and deletion of posts:

- (i) Creation of one Systems Manager post and one Analyst/Programmer I post; and
- (ii) Deletion of four Analyst/Programmer II posts and three Computer Operator II posts.

The total saving in terms of notional annual salary at mid-point (NAMS) is \$482,070.

Name in block letters	Howard Dickson
Post Title	Government Chief Information Officer
Date	8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)029

Question Serial No.

0797

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : With respect to assisting the industry to “expand business opportunities in overseas and the Mainland markets”, please inform this Committee:

- (a) What new measures will be implemented in 2006-07? What markets/products/technologies are targeted by those measures (e.g. specific areas of the IT market, the Mainland e-Government services market, wireless technology services, software improvement, outsourcing services)? What are the details of such measures and the expenditure involved?
- (b) In order to expand the Mainland and overseas market network of the local industry, will the Government consider bidding to host some of the Mainland's major IT-related exhibitions/conferences/trade fairs in Hong Kong? If yes, what are the details and expenditure involved? If not, why?

Asked by : Hon. SIN Chung-kai

- Reply :
- (a)
 - (i) The Office of the Government Chief Information Officer (OGCIO) will sponsor the ICT Pavilion at the Hong Kong Electronics Fair 2006 to be held in April. This major annual exposition will be visited by local, Mainland and overseas industry players, and create valuable opportunities for the local industry to develop business contacts/opportunities with the external markets. Two new zones including IT outsourcing and home-grown innovations will be included in the Pavilion to promote IT outsourcing services, together with other award winning products / applications from Hong Kong's information and communications technology (ICT) sector this year. The estimated expenditure involved is \$1.2 million.
 - (ii) The ITU Telecom World 2006 which will be held in December in Hong Kong will also provide excellent opportunities for the local ICT industry to attract Mainland and international buyers and business partners.
 - (iii) Under the Pan-PRD cooperation framework with the Mainland, the OGCIO and the provincial/regional governments in the Pan-PRD Region will continue to jointly organize a “Pan-PRD Software World” in Zhuhai in 2006-07. The event will provide valuable networking and business opportunities for the software industries in the Region. The estimated expenditure involved is \$0.2 million.
 - (iv) We will launch a pilot scheme for opening up the intellectual property (IP) in

government IT systems for commercial exploitation. This will facilitate industry development and create business opportunities by allowing contractors to further develop and exploit the IP in other sectors.

- (b) We will continue to explore suitable opportunities for hosting large-scale ICT exhibitions/ conferences/trade fairs from the Mainland and overseas in Hong Kong. The ITU Telecom World 2006 is one such event.

Name in block letters	<u>Howard Dickson</u>
Post Title	<u>Government Chief Information Officer</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)030

Question Serial No.

0798

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In relation to enhancing “the supply of quality IT manpower in Hong Kong”, please inform this Committee:

- (a) What new measures will be taken in 2006-07 to attain this end? What is the expenditure involved by items?
- (b) Will the Government conduct a study on the supply and demand of local IT manpower to determine local demand for IT manpower and technologies so as to avoid situations such as mismatch/shortage of local IT manpower?

Asked by : Hon. SIN Chung-kai

- Reply :
- (a) In 2006-07, the Office of the Government Chief Information Officer (OGCIO) will continue to advise and assist the Education and Manpower Bureau (EMB) Industry Training Advisory Committee (ITAC) in the development of the Qualification Framework (QF) for the information and communications technology (ICT) industry. The ITAC aims to develop a set of Specification of Competency Standards (SCS) for the ICT industry to identify the specific outcome standards required for different levels of ICT qualifications. This does not involve expenditure by the OGCIO.
 - (b) In 2006-07, OGCIO will work closely with the Vocational Training Council and other industry organisations to conduct the next biennial Manpower Survey of the ICT Sector. The survey will cover the local IT manpower and skills requirements.

Name in block letters

Howard Dickson

Post Title

Government Chief Information Officer

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)031

Question Serial No.

0799

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In relation to “continue to promote the awareness and adoption of wireless and mobile services and technology”, please inform this Committee:

- (a) What achievements have been made for the measures introduced / projects conducted in 2005-06?
- (b) With regard to the achievements made in 2005-06, what new measures will the Government introduce in 2006-07? What will be the expenses involved in the respective projects?

Asked by : Hon. SIN Chung-kai

Reply : (a) We established a Task Force on Facilitating the Adoption of Wireless and Mobile Services and Technology (FAWMST) in March 2005 with an aim to facilitate and drive the development and wider adoption of wireless and mobile services and technology (WMST) in Hong Kong. The Task Force has developed an Action Programme which focuses on five major areas. The achievements made in the respective areas are summarised below.

(1) Awareness programme

Various events were conducted to raise public awareness on the adoption of WMST. These were carried out through different channels, including television episodes, radio broadcast, newsletters, workshops and training for application developers. Over 30 promotion and training events were held in 2005-06 with over 5 000 participants.

Within the Government, we also promoted the use of WMST among bureaux/departments (B/D) through seminars, workshops, web pages and newsletters. Fourteen promotion and training events were held in 2005-06 with around 600 participants.

(2) Promotion of WMST in specific business sectors

We also promoted the adoption of WMST in various business sectors, in particular, the transport, tourism and logistics sectors. New applications successfully launched in 2005-06 include the provision of real-time traffic information by the Transport Department (TD) through mobile devices. The “Hong Kong Leisure Guide for Business Travellers” that provides tourists information via mobile

channel is another example of the applications launched.

(3) Supporting the development of new technologies and applications

The Government has provided funding support for the academia and related organisations to conduct six pilot projects on Radio Frequency Identification (RFID). The Hong Kong Productivity Council (HKPC) has collaborated with the Hong Kong Wireless Development Centre (HKWDC), Hong Kong Wireless Technology Industry Association (WTIA) and Hong Kong Applied Science and Technology Research Institute (ASTRI) on a scheme to facilitate “end-to-end” wireless industry commercialisation covering the stages of research, project development and commercialisation of final products.

(4) Partnership/Co-operation with the Mainland and overseas countries

The Commerce, Industry and Technology Bureau and the State Ministry of Science and Technology have jointly established the “Mainland-Hong Kong Science and Technology Cooperation Committee” for formulating and coordinating collaboration programmes between the Mainland and Hong Kong. RFID has been identified as one of the four main areas of collaboration in the Programme. Separately, the Eighth Plenary of the Hong Kong/Guangdong Co-operation Joint Conference held in September 2005 endorsed the setting up of an Expert Group on Co-operation in Informatization between the two places. Potential areas of co-operation include WMST and RFID.

(5) Stimulating the wider adoption in the public sector and the community

We conducted a number of trial projects to stimulate and promote the use of WMST within Government. As a result of our promotional efforts, the number of RFID applications in Government has increased from two in 2004 to ten in 2005. For example, the Hong Kong Observatory (HKO) and TD have launched their mobile web sites in 2005. The HKO has also launched the Short Message Service (SMS) weather dissemination service to the general public which also helps to promote the adoption of WMST in the community.

The HKWDC conducted a survey in 2005 on “User Experiences and Consumption Criteria on Wireless and Mobile Applications in Local and International Markets”. The survey covers seven places in Europe and Asia. The survey report provides industry players with useful information on the market situation and consumers’ needs. This helps the development of better WMST applications and in turn aids the adoption of WMST and the development of the WMST industry.

- (b) In 2006-07, the Task Force on FAWMST will continue to work on the five focus areas mentioned in part (a). The major projects to be conducted in 2006-07, with the associated expenses involved where applicable, are provided below :

(1) Awareness programme

The WTIA will organise the first Mobile Enterprise Conference and Exhibition in mid-2006, with funding support of \$0.25 million from the OGCIO. The HKWDC will also hold the ‘3G Carnival’ in the summer of 2006.

(2) Promotion of WMST in specific business sectors

The Hong Kong Tourism Board will collaborate with the Hong Kong Polytechnic University to explore the provision of transportation information to tourists via 3G phones. The HKWDC will arrange round-table discussion forums for system developers and representatives of various industries.

(3) Supporting the development of new technologies and applications

The Government has sponsored about \$7.3 million to HKWDC on the provision of TD-SCDMA (a 3G standard adopted in China) facilities in the Cyberport to facilitate the development of 3G applications. Twelve projects on RFID technology will be conducted under the Research and Development Centre for Logistics and Supply Chain Management (LSCM) Enabling Technologies.

(4) Partnership/Co-operation with the Mainland and overseas countries

HKWDC plans to organize a 3G Summit in mid-2006 which aims at sharing experience and exploring challenges and opportunities of the 3G market in China. It will provide a channel for Hong Kong mobile application providers to partner with organisations in the Mainland for launching WMST applications in China.

(5) Stimulating wider adoption in the public sector and the community

We will arrange a mobile workplace contract to facilitate and further promote the use of wireless and mobile services, e.g. mobile e-mail, within the Government. We will also set up a pilot mobile portal to serve as the entry point for the public to access government information using mobile devices.

Name in block letters	<u>Howard Dickson</u>
Post Title	<u>Government Chief Information Officer</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)032

Question Serial No.

0800

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the Sector-Specific Programmes (SSP) for e-business promotion, please inform this Committee:

- (a) How effective is the SSP since its launch?
- (b) The Government will introduce SSP to which business sectors in 2006-07? What is the expenditure involved? How many local small and medium sized enterprises (SMEs) are expected to benefit?
- (c) Besides the SSP, will the Government implement other new measures in 2006-07 to encourage the local industry to adopt e-business and information technology? If yes, what are the details of such measures and the expenditure involved? If no, why?

Asked by : Hon. SIN Chung-kai

- Reply :
- (a) The SSP has helped raise the awareness and adoption of IT and e-business by SMEs in the relevant sectors. Through collaboration between the trade associations in the traditional business sectors and those in the IT industry, we have organized seminars and training sessions on the use of IT and e-business for the SMEs, enabled online dissemination of IT related information and services through the development of industry portals, and created online business-matching opportunities. The SSP has been well-received by the beneficiaries, and proved to be an effective approach of promoting e-business among the traditional business sectors.
 - (b) In 2006-07, we will complete the SSP for travel agents (Phase 2), drugstores, logistics sector, accounting sector and beauty services providers. We will expand the SSP to cover more traditional sectors. The estimated expenditure for SSP in 2006-07 is \$1.5 million. Through the trade associations in the participating business sectors, SMEs in those sectors will be invited to take part in the activities organized under the SSP such as training, seminars and roadshows. So far, around 3,000 participants had attended activities organized under the SSP. Some of the SSP projects such as development of industry portals and business-matching platforms will benefit all SMEs in the industry concerned.
 - (c) Besides the SSP, we are actively exploring opportunities for promoting IT and e-business adoption by SMEs arising from the development of major IT infrastructure and services. These include the Digital Trade and Transportation Network which will greatly facilitate information flow and exchange among SMEs

along the supply chain; and electronic government procurement which will have an impact on the supplier community. Such initiatives will stimulate the SME community to consider seriously the needs and benefits of adopting IT so as to enhance their efficiency and competitiveness in an increasingly globalized economy.

Name in block letters	<u>Howard Dickson</u>
Post Title	<u>Government Chief Information Officer</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)033

Question Serial No.

0801

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : With respect to organising the “1st Hong Kong ICT Awards”, please inform this Committee :

- (a) what are the plans for promoting the Awards overseas to establish international recognition and locally to strengthen public awareness and recognition of the related award categories? and
- (b) what is the expenditure involved?

Asked by : Hon. SIN Chung-kai

- Reply :
- (a) The promotion plan for the 1st Hong Kong ICT Awards (the Awards) includes an official launching ceremony in early April 2006, an award presentation ceremony in end 2006 and a number of media and advertising activities locally throughout the year. Externally, the winners will be nominated to participate in international competitions, such as the Asia Pacific ICT Awards. The Government will also help identify speaking and showcasing opportunities for the winners in various local and international events such as ICT Expos, CeBIT, ITU Telecom World, etc.
 - (b) The Government has earmarked HK\$3 million to support the Awards for the first year, which covers the overall administration of the Awards, organizing the ceremonial and promotional activities, and providing financial support to individual organizers in the industry to run the award categories. The organisers will also be inviting sponsorship from the private sector as well.

Name in block letters

Howard Dickson

Post Title

Government Chief Information Officer

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)034

Question Serial No.

0802

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding “the new series of digital divide programmes”, what items will be included? Can they be implemented in 2006-07? What is the expenditure involved?

Asked by : Hon. SIN Chung-kai

Reply : The Government will implement the following programmes in 2006-07 in bridging the digital divide :

- (a) Continue to support and collaborate with The Hong Kong Council of Social Service (HKCSS) in the administration of the Digital Solidarity Fund (DSF).
- (b) Develop a new series of publicity materials and radio education programmes on information and communications technology (ICT) adoption.
- (c) Provide free public access to personal computers at convenient locations.
- (d) Promote the use of ICT through the IT Hong Kong Campaign.
- (e) Support and collaborate with other organizations to implement the digital inclusion programmes, such as the e-Inclusion Campaign (formerly known as the Web Care Campaign) of the Internet Professional Association and the Digital Inclusion Festival of the HKCSS.
- (f) Promote the benefits of and best practices for web accessibility through seminars and CD-ROMs.
- (g) Coordinate with the industry, the academia and the user community to address the needs of people with disabilities in developing ICT products/applications.
- (h) Explore digital inclusion projects in the outlying islands and remote areas.
- (i) Address the needs of people with disabilities in developing the One-Stop Access Portal for e-government services.
- (j) Encourage the development of ICT products/applications for the disadvantaged groups and to raise public awareness on digital inclusion through the Digital Inclusion award category under the Hong Kong ICT Awards Scheme.
- (k) Provide recycled personal computers to the needy students through the Computer Recycling Scheme organized by the Education and Manpower Bureau (EMB) and the HKCSS.

All of the above programmes will be implemented in 2006-07. The estimated expenditure for supporting the Digital Solidarity Fund and developing a new series of publicity materials and radio programmes in 2006-07 are \$1 million and \$0.25 million respectively. The estimated total expenditure for programmes (c) to (h) in 2006-07 is about \$2 million while the expenditure for programmes (i) and (j) will be absorbed by

the capital budgets of the respective programmes. The Computer Recycling Scheme is funded under the EMB and its total budget is about \$49.5 million for 2005-06 and 2006-07.

Name in block letters	<u>Howard Dickson</u>
Post Title	<u>Government Chief Information Officer</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)035

Question Serial No.

0803

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In relation to “continue the promotion of and public education on wider use of IT and information security in the community”, please advise this Committee:

- (a) Have any themes been established for the promotional and publicity work scheduled for 2006-07? In what ways will such work familiarise the public with the latest advance in IT? and
- (b) Regarding the above matter, what programmes will be introduced in 2006-07? What is the expenditure for each programme?

Asked by : Hon. SIN Chung-kai

Reply : To continue the promotion of and public education on wider use of IT and information security in the community,

- (a) the Government will increase effort on the promotion of IT awareness to and adoption by disadvantaged groups and the small and medium sized enterprises (SMEs) in various business sectors. Of equal importance in the use of IT, we will continue to upkeep the general public on contemporary knowledge and issues on information security such as best practices in preventing and tackling computer crimes, e-business frauds and spamming as well as the adoption of relevant international standards by enterprises in protecting their information assets.
- (b) On the promotion of IT awareness and adoption to the disadvantaged groups, the Government has injected \$1 million into the Digital Solidarity Fund in 2006 to support this initiative. We will also collaborate with Non-Government Organisations and have earmarked \$2 million for co-organising or sponsoring relevant promotion and awareness programmes with them. Furthermore, we have earmarked \$1.5 million for extending the Sector-specific Programme to further promote IT adoption among SMEs to more business sectors.

On the promotion of information security, we will continue to provide relevant reference material and expert advice in the one-stop INFOSEC website for public reference. In collaboration with the industry, we will organise exhibitions and seminars on themes such as anti-spamming that are of public interest. We will explore with professional associations and relevant organisations to arrange short training classes for the public aiming to enhancing their information security awareness. We will further produce a new series of radio programmes to educate the public on information asset protection and computer crime prevention. The

estimated expenditure for information security promotion is \$1 million.

Name in block letters	<u>Howard Dickson</u>
Post Title	<u>Government Chief Information Officer</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)036

Question Serial No.

0804

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (2) IT Infrastructure and Standards

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Concerning the commencement of “a pilot infrastructural authentication service using the smart identity cards”, please inform this Committee:

- (a) What are the details of the plan? What is its time-table? When will it be completed? and
- (b) What is the expenditure involved?

Asked by : Hon. SIN Chung-kai

Reply : Details of the plan

The Smart Identity Card issued by the Immigration Department contains authentication features that include the Card Face Data (CFD) and a Global Personal Identification Number (Global PIN). The CFD is a set of five key personal data items printed on the card face of the Smart Identity Card. They are the identity card number, Chinese name, English name, date of birth and date of issue. The Global PIN is a compartment in the chip of the Smart Identity Card that is capable of storing a 6-8 digit personal identity number. The Global PIN has not been activated, pending further assessment of its usage, business needs, policy approval and endorsement by the Legislative Council before implementation.

The pilot service aims to establish a central infrastructure to support the wider use of the CFD and Global PIN to facilitate different levels of identity authentication for electronic transactions conducted through the Internet and Government's internal networks. A demonstration module for illustration and promotion purposes will also be developed as part of the pilot service.

Time table and completion date

Implementation of the pilot service will start in April 2006 and complete incrementally by August 2007. The entire pilot service will last until the end of March 2009.

Estimated expenditure

The estimated non-recurrent cost is about \$9.5million which will be funded under the Block Allocation of Head 710 Computerisation. The recurrent cost of the service during the pilot period will be absorbed by the Office of the Government Chief Information Officer.

Name in block letters	<u>Howard Dickson</u>
Post Title	<u>Government Chief Information Officer</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)037

Question Serial No.

0805

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (2) IT Infrastructure and Standards

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In respect of the study to examine the case for developing a Spatial Data Infrastructure,

- (a) what would be the timeframe for the study and when will it be completed? and
- (b) what is the cost for the study?

Asked by : Hon. SIN Chung-kai

- Reply :
- (a) The Office of the Government Chief Information Officer (OGCIO) plans to examine, in conjunction with relevant bureaux and departments such as the Housing, Planning and Lands Bureau (HPLB) and Lands Department, the case for developing a Spatial Data Infrastructure (SDI) in late 2006 in support of the next wave of e-government services. In doing so, consideration will be given to the possibility of making the Geospatial Information Hub (GIH), currently operated by the Lands Department, a central component of the proposed SDI.
 - (b) The initial study referred to in (a) above will be conducted using existing resources. The resource implications of developing the SDI and enhancing the GIH, if appropriate, will be assessed after the completion of the study.

Name in block letters

Howard Dickson

Post Title

Government Chief Information Officer

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)038

Question Serial No.

0806

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (1) Use of IT in Government

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In relation to “continue to upkeep the IT security awareness of bureaux/departments”, what measures will be taken in 2006-07 for such purpose? What is the expenditure involved?

Asked by : Hon. SIN Chung-kai

Reply : In 2006-07, the Government will continue to keep up the awareness of Bureaux/Departments (B/Ds) on IT security through the following activities :

- (a) Updating the information security regulations, policies and guidelines within the second quarter of 2006 to keep them in pace with the advancement of technology and the development of international/industry practices;
- (b) Strengthening the cyber security management, monitoring, threats alert and incidents response mechanisms among B/Ds and in collaboration with relevant parties such as the Police, the Hong Kong Computer Emergency Response Team Coordination Centre and other Internet infrastructure stakeholders;
- (c) Keeping abreast of current knowledge and research material on information security and related technology; publishing guidelines on proactive preventative actions for reference by B/Ds; and
- (d) Organising trainings/seminars for B/Ds at both management and technical levels on contemporary information security issues and relevant international best practices such as anti-spamming and standards adoption.

The estimated expenditure for 2006-07 is \$1.3 million.

Name in block letters

Howard Dickson

Post Title

Government Chief Information Officer

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)039

Question Serial No.

1864

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (1) Use of IT in Government

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The provision for Programme (1) in 2006-07 is about \$20 million higher than the revised estimate for 2005-06. This is mainly due to increased requirement for IT management and support services to implement the next wave of e-government initiatives. Please provide details of the work programme and whether the increase in provision is necessary.

Asked by : Hon. TAM Heung-man

Reply : The increase in provision under Programme (1) is necessary to support the formulation, management and implementation of a number of initiatives under the next wave of e-government. Apart from the One-Stop Access Portal where separate funding has been approved by the Finance Committee on 3 March, major e-government initiatives which will incur expenditure in IT management, support or consultancy services in 2006-07 include :

- **E-procurement** – We will finalize the strategy for implementing e-procurement in the Government and make the necessary preparation for a “proof-of-concept” project to be launched in 2007-08.
- **Channel Management** - We will formulate a channel management strategy in the latter half of 2006 for adoption by bureaux and departments with a view to streamlining the service delivery channels and achieving greater customer orientation and cost-effectiveness in service delivery.
- **Business Case for Government IT Investment** – We will commence a study in May 2006 to devise a systematic mechanism for defining, measuring and evaluating the business case for IT investments made by the Government.
- **Property Information Hub** – We will assist the Rating and Valuation Department and the Land Registry in implementing the Property Information Hub, with a target to issue a request for proposal by end 2006.
- **Electronic Records Management** – We will work out with the bureaux and departments concerned a co-ordinated approach towards the adoption of electronic record management systems across the Government.

- **Value-added Applications on the Smart Identity (ID) Card** – We will explore further potential applications that can ride on the smart ID card. To gauge the interest of bureaux and departments and that of the business sector in exploring new application opportunities, we plan to conduct a consultation cum Expression of Interest exercise in the second quarter of 2006.

Name in block letters	<u>Howard Dickson</u>
Post Title	<u>Government Chief Information Officer</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)040

Question Serial No.

1865

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (1) Use of IT in Government

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Will the five posts to be deleted in 2006-07 affect the delivery of new services and implementation of new projects? Will the workload of the existing staff substantially increase?

Asked by : Hon. TAM Heung-man

Reply : The deletion of the five posts in 2006-07 has been planned well in advance under the government-wide initiative to contain the size of the civil service. The deletion has taken into account the operational needs and work focus of the Office of the Government Chief Information Officer. It will not affect the delivery of new services and implementation of new projects, and will not substantially increase the workload of the existing staff.

Name in block letters

Howard Dickson

Post Title

Government Chief Information Officer

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)041

Question Serial No.

1866

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (2) IT Infrastructure and Standards

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The estimate for 2006-07 is about 15% higher than the revised estimate for 2005-06. This is mainly due to the provision of funding to support the operation of the Hongkong Post Certification Authority. Will the Government advise if the certification authority in question is newly established? If yes, what is the purpose for its establishment? If not, what are the reasons for increasing the provision?

Asked by : Hon. TAM Heung-man

Reply : The Hongkong Post Certification Authority (HKPCA) was set up in January 2000 by the Hongkong Post (HKP) to offer public certification authority (CA) services (e.g. e-Cert) as a commercial venture under its trading fund operation. In mid-2005, the Commerce, Industry and Technology Bureau (CITB) initiated a review of the HKPCA operation. In view of the accumulated operating loss suffered by HKPCA in the past five years, the Government has come to the view that its current mode of operation, which requires substantial funding support from the CITB and HKP through cross-subsidization from its other services, was not sustainable in the longer term. The Government has thus decided to explore possible synergy with the private sector in operating the HKPCA. Accordingly, HKP will conduct a Request for Proposal (RFP) exercise in the first half of 2006 to ascertain if any interested parties would be prepared to run the HKPCA operation for a fixed period (e.g. until 2010-11). The RFP exercise will help identify a suitable contractor for HKPCA, who will be better placed to develop new value-added services and e-commerce applications that can engender a self-financing public CA operation. Pending the completion of the exercise, the Office of the Government Chief Information Officer / CITB will provide \$12 million to support the continued operation of the HKPCA in 2006-07. We have reported the above to the LegCo Panel on IT and Broadcasting in December 2005.

Name in block letters

Howard Dickson

Post Title

Government Chief Information Officer

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)042

Question Serial No.

0754

Head: 47 – Government Secretariat : Office of the
Government Chief Information Officer

Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Government Chief Information Officer

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What are the specifics of the new programmes drawn up to bridge digital divide in 2006-07? What is the estimated expenditure for each programme? Which of these programmes are brand new? So far, what has been achieved by the existing programmes?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : The Government will implement the following programmes in 2006-07 that aim to bridge the digital divide:

- (a) Continue to support and collaborate with The Hong Kong Council of Social Service (HKCSS) in the administration of the Digital Solidarity Fund (DSF)
- (b) Develop a new series of publicity materials and radio education programmes on information and communications technology (ICT) adoption.
- (c) Provide free public access to personal computers at convenient locations.
- (d) Promote the use of ICT through the IT Hong Kong Campaign.
- (e) Support and collaborate with the other organizations to implement the digital inclusion programmes, such as the e-Inclusion Campaign (formerly known as the Web Care Campaign) of the Internet Professional Association and the Digital Inclusion Festival of the HKCSS.
- (f) Promote the benefits and best practices in web accessibility through seminars and CD-ROMs.
- (g) Coordinate with the industry, the academia and the user community to address the needs of people with disabilities in developing ICT products/applications.
- (h) Explore digital inclusion projects in the outlying islands and remote areas.
- (i) Address the needs of people with disabilities in developing the One-Stop Access Portal for e-government services.
- (j) Encourage the development of ICT products/applications for the disadvantaged groups and to raise public awareness on digital inclusion through the Digital Inclusion award category under the Hong Kong ICT Awards Scheme.
- (k) Provide recycled personal computers to the needy students through the Computer Recycling Scheme organized by the Education and Manpower Bureau (EMB) and the HKCSS.

The estimated expenditure for supporting the Digital Solidarity Fund and developing a new series of publicity materials and radio programmes in 2006-07 are \$1 million and \$0.25 million respectively. The estimated total expenditure for programmes (c) to (h) in

2006-07 is about \$2 million while the expenditure for programmes (i) and (j) will be absorbed by the capital budgets for the respective programmes. The Computer Recycling Scheme is funded under the EMB and its total budget is about \$49.5 million for 2005-06 and 2006-07.

Programmes (g) to (j) are brand new for 2006-07.

The major achievements of the existing programmes include –

- six projects amounting to about \$0.94 million were selected to support various digital inclusion activities under the Digital Solidarity Fund;
- over 32 000 “IT Pioneers” have been recruited and around 102 000 people have participated in the IT awareness courses under the “IT Hong Kong” Campaign since 2000;
- 90 episodes of radio programmes and television features were produced in 2005 to arouse IT awareness and promote the wider adoption of IT in the Community; and
- all government websites are accessible to the visually impaired people.

Name in block letters	<u>Howard Dickson</u>
Post Title	<u>Government Chief Information Officer</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)043

Question Serial No.

0729

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (1) Radio

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please account for the reductions in the projected hours of output of Radios 2 and 7 given that there is no decrease in projected expenditures in 2006-07. Please also elaborate if additional resources will be allotted to fill the time slots affected.

Asked by : Hon. EU Yuet-mee, Audrey

Reply : The reduction of hours of output of Radio 2 and Radio 7 in 2006-07 is mainly because of the decision to merge the broadcasting services on Chinese channels (including Radios 2 and 7) at weekends from 10 p.m. to 2 a.m. since 18 June 2005, which achieved cost-saving from payment of music royalty and expenditure on hiring presenters.

Since the 2006-07 recurrent expenditure estimate is slightly higher than that of 2005-06, Radio 2 and Radio 7 are considering increasing the hours of output. It is estimated that in the latter half of the year, programme output will be brought back to the 2004-05 level. Expenses arising from programme reshuffles will be borne through internal re-deployment.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)044

Question Serial No.

0730

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (1) Radio

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : It was mentioned in 'Matters Requiring Special Attention in 2006-07' that RTHK would implement a new technical services contract upon the expiry of the current Technical Services Agreement at the end of September 2006. Was 'Digital Audio Broadcasting' also included in the Agreement? If yes, please list the annual expenditure incurred in developing 'Digital Audio Broadcasting'. If no, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey

Reply : The new Technical Services Contract does not include "Digital Audio Broadcasting". As "Digital Audio Broadcasting" is still in the trial stage, its full implementation has yet to be decided.

RTHK's expenditure incurred in the trial of Digital Audio Broadcasting is as follows:

Year	Expenditure
2004-05	\$1,200,000
2005-06	\$780,000
Total	\$1,980,000

It is always through internal redeployment of resources that the tests have been conducted, with no exception for the coming year.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)045

Question Serial No.

2346

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (2) Television

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : For revenue generation, 60 hours of selected classic television programmes were licensed to a successful bidder for production, marketing and distribution on VCD/DVD (PDVD) format, products of which were available in the market in 2005. In this connection, please advise: (a) What is the total sales figure of these video discs? (b) What is the cost involved? and (c) How does RTHK evaluate the effectiveness of the above-mentioned project?

Asked by : Hon. KWOK Ka-ki

Reply : (a) Total sales were 86 410 units.

(b) Related expenditure incurred was \$263,000.

(c) RTHK's assessment is:

- 1) It generates additional revenue for government by maximising the value of government assets and enhances the reach of RTHK programmes;
- 2) It responds to market demand by opening up the opportunity for members of the public to reminisce over RTHK's quality programmes; and
- 3) It promotes and distributes RTHK's quality programmes to overseas markets.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)046

Question Serial No.

2347

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (2) Television

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The hours of output of 'Current Affairs' programmes will be decreased by 7.7 hours from the 2005-06 revised estimate of 182.7 hours to 175 hours as projected for 2006-07. In this connection, please advise:

- (a) What are the reasons for the decrease? and
- (b) Has the Administration evaluated if the needs of the public could be met after the decline? If yes, what are the results of the evaluation? If not, what is the reason?

Asked by : Hon. KWOK Ka-ki

- Reply :
- (a) The hours of output of 'Current Affairs' programmes for 2006-07 are projected to be 175, representing a 4.2% reduction as compared with the 2005-06 revised estimates. The adjustment is to allocate resources for the corresponding increase in the production of arts and culture and servicing programmes.
 - (b) As in previous years, the estimate is a preliminary plan. RTHK will adjust its programme genre production ratio in response to community needs and current issues.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (1) Radio

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In readjusting its public service broadcasting direction, RTHK ceased to relay horse racing at the end of the 2004-05 season to reallocate resources for production of knowledge-based programmes. Examples of such programmes include those on liberal studies, like 'Free As the Wind' (weekdays version), 'City Snapshot' and 'Wise Citizen', and informative 'one-minuters' on innovation, financial management and economics. What were the expenditures on producing the above-mentioned liberal studies programmes when compared to those for relaying horse racing?

Asked by : Hon. LAU Wai-hing, Emily

Reply : In 2004-05, the direct expenditure on horse racing relays was \$1.5 million. After its cessation, \$750,000 direct expenditure had been re-allocated to the production of knowledge-based programmes.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)048

Question Serial No.

2002

Head: 160 Radio Television Hong Kong

Subhead (No. & title): 000 Operating Expenses

Programme:

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please account for the 35 permanent posts earmarked for deletion in 2006-07 and the savings thus incurred.

Asked by : Hon. LEUNG Yiu-chung

Reply : The posts earmarked for deletion for the financial year of 2006-07 are as follows :

Rank	No. of Posts Earmarked for Deletion
Senior Programme Officer	1
Programme Officer	8
Assistant Programme Officer	15
Programme Assistant	7
Senior Artisan	1
Motor Driver	3
Total	35

The above 35 posts were in fact earmarked for deletion under the Manpower Plan to meet the target of reducing civil service establishment. 30 of them will not bring to account actual savings in 2006-07 because they have already been left vacant in the year 2005-06.

As for the remaining five posts which will progressively not be filled in the latter part of 2006-07, the savings in 2006-07 arising from their deletion will be around \$0.4 million.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)049

Question Serial No.

1842

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (4) New Media

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please advise:

- (a) What is the percentage of programme content available for public subscription through Podcasting?
- (b) Are there any plans to extend audience reach through publicising the use of RTHK's podcasting programmes?

Asked by : Hon. SIN Chung-kai

- Reply :
- (a) RTHK ON INTERNET currently offers 9 audio and 6 video podcast feeds. RTHK has produced around 300 hours of original online contents last quarter, 74 hours (or 25%) of which were available for public subscription through Podcasting.
 - (b) RTHK has set up a Podcast Corner. Publicity on our website and radio channels will be strengthened this year. Besides providing contents available for public subscription through Podcasting, the platform will be open to contributions with a view to boosting audience participation.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)050

Question Serial No.

2019

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (1) Radio

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In 2005-06, how much was spent on promoting digital broadcasting, and its percentage share in RTHK's overall expenditure? What are the projected expenditures in 2006-07 and percentage share?

Asked by : Hon. SIN Chung-kai

Reply : The Digital Audio Broadcasting trial had incurred \$780,000 in 2005-06, equivalent to 0.18% of RTHK's total overall expenditure.

We plan to conduct the trial at the Castle Peak transmission station. It is expected that the expenditure in 2006-07 will be comparable to the 2005-06 level.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)051

Question Serial No.

2352

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (1) Radio

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Will the Administration consider to scrap more popular programmes, such as 'Top Ten Chinese Gold Songs Award Presentation', owing to resource limitation?

Asked by : Hon. TAM Heung-man

Reply : In 2006-07, RTHK has no plan to further scrap popular programmes (such as the 'Top Ten Chinese Gold Songs Awards Presentation') citing resource constraint.

The 'Top Ten Chinese Gold Songs Award Presentation' is Hong Kong's most established music award presentation, with the full participation of the public and professionals in the music industry. It promotes the creative industry, raises tens of millions for charitable organisations and is a self-sufficient production through ticket proceeds. The event has over the years been relayed by more than 20 Mainland and overseas radio stations.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)052

Question Serial No.

2353

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (1) Radio

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The Administration announced in January 2006 to establish an independent committee to review public service broadcasting in Hong Kong. In this connection, has the Administration evaluated the impact of the review on the expenditures of 2006-07?

Asked by : Hon. TAM Heung-man

Reply : Since the terms of reference of the Public Service Broadcasting Review Committee is to explore the future development of public service broadcasting, it will not affect RTHK's expenditure estimates for 2006-07.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)053

Question Serial No.

2354

Head: 160 Radio Television Hong Kong Subhead (No. & title):

Programme: (1) Radio

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In 2006-07, 35 non-directorate posts will be deleted. Has the Administration evaluated the effect of post deletion on the quality of broadcasting service? If yes, what are the results of the evaluation? If not, what is the reason?

Asked by : Hon. TAM Heung-man

Reply : The above 35 posts were in fact earmarked for deletion under the Manpower Plan to meet the target of reducing civil service establishment. We will enhance outsourcing and improve workflow procedures to ensure the maintenance of quality broadcasting services.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)054

Question Serial No.

0571

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (4) New Media

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In 2005, how many hours of webcast programmes were sold? What is the percentage of original web content? Would more webcast programmes be sold this year?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : Since programmes and content licensed include video, text and audio, some of which cannot be quantified by number of hours, we can only provide the information in terms of number of episodes.

In 2005-06, 380 episodes of programmes on the RTHK website were licensed. Some 172 episodes are original web content representing 45% of the web content licensed. The amount of licensed content in 2006-07 will depend on market demand.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 9.3.2006

Examination of Estimates of Expenditure 2006-07

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)055

Question Serial No.

0572

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (4) New Media

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In 2006, RTHK would continue its digital video production and co-operation with outside organisations, and increase its original web content. Why does the percentage of original web content items in 2006 remain to be 25%?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : In 2006-07, RTHK will increase digital video production and strengthen original web content by replacing words and pictures with audio and video clips. It will also enhance the interactivity of the content and enable wider access to the content via emerging media. This enhancement plan will not affect the percentage of original web content being produced.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)056

Question Serial No.

0576

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (2) Television

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What was the expenditure on programme commissioning in 2005-06? What were the number of productions and their ratings? Will the proportion between commissioned productions and in-house productions be adjusted in 2006-07? What are the projected expenditures of these two categories?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : In 2005-06, the direct expenditure of RTHK's programme commissioning amounted to \$7.9 million, producing 14 hours of output, which accounted for 5.7% of RTHK's prime time productions. Commissioned programmes transmitted in 2005-06 on TVB secured 16.1 rating points on average, representing 1 051 000 viewers, while those on ATV 5 rating points, which stood for 328 000 viewers.

In 2006-07, the estimated direct expenditure for 16.5 hours of commissioned television programmes, which represents 6.7% of RTHK's prime time productions, is \$8.6 million. As compared with last year, there is an increase of 2.5 hours in commissioning output.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)057

Question Serial No.

0577

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (2) Television

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In scheduling RTHK's programmes on pay television and other platforms, will the established mode of cooperation with the two commercial television stations be adopted? Is it necessary to allocate more resources in order to meet the production demands of the increasing number of platforms?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : According to the domestic free television programme service licences, the two free-to-air television stations are required to broadcast programmes supplied by the Government, including RTHK productions, in specified timeslots as directed by the Broadcasting Authority. In addition, RTHK programmes will also be broadcast in other timeslots according to mutual agreement between RTHK and the two stations.

Domestic pay television programme service licences do not require the broadcast of RTHK programmes. RTHK and pay television licensees arrange the broadcast of repeats of some of its programmes according to mutual agreement. The same arrangement is made for the broadcast on other platforms. The broadcast of repeats by pay television licensees and other platforms does not involve additional resources for programme production.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)058

Question Serial No.

2103

Head: 160 Radio Television Hong Kong

Subhead (No. & title): 000 Operational
Expenses

Programme:

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Compared to other departments, is the overall provision allocated to RTHK for 2006-07 lower than the average increase?

Asked by : Hon. TSANG Yok-sing, Jasper

Reply : The 2006-07 estimate for RTHK's recurrent expenditure is \$428.9 million, representing an increase of 1.5% when compared with the 2005-06 original estimate of \$422.6 million.

On the whole, the 2006-07 estimate for recurrent government expenditure increases by 0.4% when compared with the 2005-06 original estimate.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)059

Question Serial No.

2104

Head: 160 Radio Television Hong Kong

Subhead (No. & title):

Programme: (1) Radio

Controlling Officer : Director of Broadcasting

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please advise on the following regarding merged broadcasting of radio channels: (a) the manpower saved by implementing these measures; amongst them, the number of civil servants and guest presenters/production staff respectively; (b) average increase in production cost per hour; (c) actual savings in total expenditure; (d) whether there will be an increase in merged broadcasting hours for the coming year?

Asked by : Hon. TSANG Yok-sing

Reply : The answers to the questions on merged hours are as follows:

- (a) The merging brought about a net reduction of 18 temporary programme producers, all of whom are guest presenters or producers. In addition, the suspended programmes had alleviated the workload of 2 Civil Service Staff and 3 Non-Civil Service Staff. They have been reassigned to take up other production duties;
- (b) Prior to the implementation of the merged services, the hourly direct cost was \$2,060 for producing 3 sets of programmes. After the merged hours, the hourly direct cost was \$1,058 for one set of programmes;
- (c) With the reduction in total output hours, the overall saving achieved was \$650,000 per annum;
- (d) RTHK would not increase merged programme hours. Since the recurrent expenditure estimate for 2006-07 is slightly higher than that of 2005-06, RTHK is currently considering increasing output hours. It is estimated that in the latter half of the year, programme output would be brought back to the 2004-05 level.

Name in block letters

CHU Pui-hing

Post Title

Director of Broadcasting

Date

9.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)060

Question Serial No.

0676

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (3) Film Classification and Control of Obscene and Indecent Articles

Controlling Officer: Commissioner for Television and Entertainment Licensing

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: Please list on a yearly basis the number of articles classified as Class II (Indecent) and Class III (Obscene) articles in accordance with the Control of Obscene and Indecent Articles Ordinance and the number of prosecutions made over the past 3 years.

Asked by: Hon. HO Chun-yan, Albert

Reply: The numbers of articles classified as Class II (Indecent) and Class III (Obscene) articles by the Obscene Articles Tribunal over the past three years are as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Class II (Indecent)	1 058	1 328	1 107
Class III (Obscene)	1 333	1 618	538
Total	2 391	2 946	1 645

Note: The above figures include those articles submitted by the publishers themselves

The numbers of prosecutions made in accordance with the Control of Obscene and Indecent Articles Ordinance over the past three years are as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Number of prosecutions	697	466	519

Note: The numbers of prosecutions are far fewer than the numbers of articles classified as Class II (Indecent) and Class III (Obscene) articles by the Obscene Articles Tribunal because a prosecution might have involved a great number of articles.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)061

Question Serial No.

1998

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title): 000 Operational
Expenses

Programme:

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please specify the details of the 4 permanent posts proposed for deletion in 2006-07 and the expenditure that can be saved as a result.

Asked by : Hon. LEUNG Yiu-chung

Reply : In 2006-07, TELA will delete four permanent posts including 1 Assistant Clerical Officer, 1 Projectionist and 2 Entertainment Standards Control Officers. These are vacant posts. In the context of recruitment freeze and reducing expenditure, the Television and Entertainment Licensing Authority has reviewed the manpower and considered it not necessary to retain these vacant posts as the related duties could be absorbed by internal re-deployment. In terms of notional annual mid-point salary value, the deletion of these four posts can bring annual savings of about \$1.01 million to the government.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)062

Question Serial No.

0281

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title): 700 General
non-recurrent

Programme: (1) Broadcast Monitoring and Regulation

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Under item 017 "Staff Training of Competition Provision", please specify:

- (a) the respective training activities held in 2005-06 and 2006-07;
- (b) the criteria for the selection of training organizations, and the qualifications of the selected organizations;
- (c) the number of staff receiving training in 2005-06 and 2006-07 respectively, and the average training cost spent on each member of staff.

Asked by : Hon. TONG Ka-wah

Reply : (a) Since the competition provisions of the Broadcasting Ordinance came into effect, the Television and Entertainment Licensing Authority (TELA) has arranged a series of training programmes for its staff members in order to enhance their skills in dealing with competition complaints.

In 2005-06, TELA arranged for staff members to participate in a three-day training programme on Competition Law held by the Office of the Telecommunications Authority (OFTA). In addition, arrangement was also made for staff members to attend expert seminars to enhance their understanding of the regulatory problems arising from technology convergence, and to assist the BA in enforcing the competition provisions effectively.

Looking ahead to 2006-07, we will continue to arrange for staff members to participate in conferences, seminars and courses on competition regulation in the broadcasting sector and to attend advanced competition law and economics courses overseas to enrich their knowledge in these fields.

- (b) The criteria for the selection of training organizations mainly include: (1) possession of professional knowledge on competition laws and economics, as well as understanding of the operation of broadcasting industry under technological convergence; (2) provision of approach and courses to enable staff members to systematically master the relevant knowledge; (3) the advanced courses to be provided will lead to academic or professional recognition; (4) cost-effectiveness.

In 2005-06, the training programmes and seminars were hosted by a famous professor of the UK competition laws. He is also the non-executive director of the Office of Fair Trading in the UK, with practical experience in enforcing

competition legislation.

- (c) In 2005-06, a total of 8 staff members were arranged to participate in a course on competition laws held by the OFTA and to attend expert seminars. As the OFTA charged the fees on a cost recovery basis, the training cost for each staff member of TELA was about \$ 1,500.

Looking ahead to 2006-07, we propose to arrange 4 staff members to participate in local and overseas courses on competition laws. The average costs for each staff member of the local and overseas training programmes are about \$ 1,500 and \$ 50,000 respectively.

Name in block letters	<u>Ms. Lorna WONG</u>
Post Title	<u>Commissioner for Television and Entertainment Licensing</u>
Date	<u>8.3.2006</u>

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)063

Question Serial No.

0282

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title): 700 General
non-recurrent

Programme: (1) Broadcast Monitoring and Regulation

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : As regards Item 015 "Competition Consultancy Service", please specify:

- (a) the nature and objective of such consultancy service;
- (b) the criteria for choosing a consultant. What qualifications should the chosen consultant possess?
- (c) details of the service in 2005-06 and 2006-07.

Asked by : Hon. TONG Ka-wah

- Reply :
- (a) The Broadcasting Authority (BA) is responsible for enforcing the competition provisions of the Broadcasting Ordinance, Chapter 562. In enforcing the competition provisions, TELA has engaged external consultancy firms to provide professional economic analysis and draw reference from relevant overseas cases with a view to assisting the BA in determining whether the conduct under complaint is in breach of the competition provisions.
 - (b) The main criteria for choosing a consultant include : (1) the necessary experience and expertise in dealing with competition cases in the broadcasting field and a good understanding of the local and overseas broadcasting industries; (2) the relevant experience and knowledge of the consulting team; (3) the relevant practical experience of conducting competition analysis in comparable overseas jurisdictions; (4) the ability to provide an effective approach to the investigation and analysis of competition cases; and (5) the reasonableness of the fees proposed. The consultants appointed were international firms with considerable experience in professional economic analysis and competition law matters.
 - (c) In 2005, the competition consultant assisted the BA in the investigation of a complaint about the broadcasting right to certain television channels. In early 2006, the consultant also assisted the BA in processing a complaint about the predatory pricing of a pay television operator. Besides, the consultant has also assisted the BA in assessing the impact of the applications made by licensed broadcasters on the competition of the television market.

In 2006-07, the number of competition complaint cases to be dealt with by the BA that requires the assistance of the consultant is expected to be similar to that of 2005-06.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)064

Question Serial No.

0789

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (3) Film Classification and Control of Obscene and Indecent Articles

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In the recent half year, a large number of entertainment magazines in the market show female nudity on their covers. The problem has been getting serious and widely criticized by members of the community, but the Department has not indicated in the targets any increase in frequency for article scrutinization and inspection in 2006-07. What is the reason behind?

Asked by : Hon. TONG Ka-wah

Reply : The Television and Entertainment Licensing Authority (TELA) has all along been scrutinizing magazines on sale in the market. With regard to some of the magazines depicting female nudity on their covers and/or in their content, TELA submitted 25 relevant articles to the Obscene Articles Tribunal for classification in the second half of 2005. In 2005, TELA scrutinized a total of 885 739 articles for sale or rent in Hong Kong, such as newspapers, magazines and comics. In 2006-07, TELA will continue its scrutinizing work, including entertainment magazines on the market.

In 2005, TELA had stepped up inspection of newsstands and VCD shops etc. with a view to ascertaining whether such outlets were in compliance with legislative requirements. In 2005, TELA conducted 78 383 inspections, which represents an increase of about 5% as compared with 74 873 inspections in 2004. In 2006-07, TELA will maintain the same level of inspections.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)065

Question Serial No.

0790

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (2) Film Services

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What is the estimated expenditure for assisting the organization of “Entertainment Expo Hong Kong 2006” in 2006-07?

Asked by : Hon. TONG Ka-wah

Reply : “Entertainment Expo Hong Kong 2006” (the Expo) is coordinated by the Hong Kong Trade Development Council. It is a conglomeration of eight spectacular events organized by different organizations. The events will run concurrently in order to achieve synergy effect and increase their impact. These eight events include: the Hong Kong International Film Festival, the Hong Kong Film Awards, the Hong Kong-Asia Film Financing Forum, FILMART, the Hong Kong Digital Entertainment Excellence Awards, the Digital Entertainment Leadership Forum, the IFPI Hong Kong Top Sales Music Award and the Hong Kong Independent Short Film & Video Awards. The organizers of the events raised funds through different channels.

The Film Development Fund (the Fund) administered by the Television and Entertainment Licensing Authority received funding applications in respect of the Expo and two events under its auspices. After assessment, the Projects Vetting Committee of the Fund agreed to sponsor these events. Details are as follows –

- (a) \$1.35 million has been approved to fund the promotion and the gala opening of the “Entertainment Expo Hong Kong 2006”.
- (b) \$2.26 million has been approved to fund the production of “The 25th Hong Kong Film Awards Presentation Ceremony”.
- (c) \$2.56 million has been approved to fund the organization of seminars and workshops of “Hong Kong-Asia Film Financing Forum (HAF) 2006”.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)066

Question Serial No.

0791

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (1) Broadcast Monitoring and Regulation

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : On commissioning a consultancy on the long term development and competitiveness of Hong Kong as a regional broadcasting hub and television content production base, please specify:

- (a) the amount of expenditure reserved for the consultancy in 2006-07;
- (b) the criteria for choosing a consultant and the required qualifications of the consultant;
- (c) the expected commencement and completion dates of the whole consultancy study.

Will the consultancy report be disclosed to the public? If not, why?

Asked by : Hon. TONG Ka-wah

Reply : (a) The expenditure reserved for the consultancy in 2006-07 is \$2.5 m.

(b) The selection criteria mainly include:

- (1) the relevant research experience of the consultant and its knowledge on the international development of broadcasting;
- (2) the relevant expertise and experience of the assignment team of the consultancy firm;
- (3) the feasibility of the study approach;
- (4) the schedule and the detailed plan of the study; and
- (5) reasonableness of the fees.

(c) The consultancy study is expected to commence in April 2006 and be completed within 8 months thereafter.

The consultancy report is mainly for internal reference for the department and the bureau. Except the confidential and commercial information related to the licensed broadcasters, the department will consider disclosing the executive summary of the report.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)067

Question Serial No.

0792

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (1) Broadcast Monitoring and Regulation

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : A broadcasting services survey was commissioned to assess public views on the regulation of different types of television and sound broadcasting services in 2005-06. Please specify the manpower, expenditure and time involved in this survey.

Asked by : Hon. TONG Ka-wah

Reply : The Broadcasting Authority (BA), like other regulators over the world, commissions surveys on broadcasting services from time to time. The Television and Entertainment Licensing Authority assisted the BA in commissioning an independent survey company to carry out a public survey on broadcasting services in December 2004. A Chief Entertainment Standards Control Officer and an Entertainment Standards Control Officer were assigned to coordinate and monitor the progress of the survey. The major expenditure was on the fee paid to the survey company, which was about \$480,000. The project was completed within ten months.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)068

Question Serial No.

0793

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (1) Broadcast Monitoring and Regulation

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What is the expenditure and estimated expenditure on handling complaints in respect of the programmes of RTHK in 2005-06 and 2006-07 respectively? Is there any mechanism preventing the abuse of the complaint mechanism?

Asked by : Hon. TONG Ka-wah

Reply : With regard to the regulation of broadcasting content, the existing mechanism depends on public monitoring. If there are complaints lodged by the public, they will be determined by the Broadcasting Authority (BA). Besides licensed broadcasters which are required to abide by the Broadcasting Authority's codes of practice on programme standards (the codes), RTHK has undertaken to abide by the codes on a voluntary basis and is answerable for any breaches of the codes. Such an undertaking is also promulgated in the Producers' Guidelines published by RTHK.

The Television and Entertainment Licensing Authority supports the BA in handling complaints against the contravention of the codes. In this connection, complaints against RTHK programmes are also included. According to the percentage of complaints concerning RTHK programmes to total number of cases handled, the expenditure spent on handling the complaints about RTHK programmes in 2005-06 was about 1.35 million. If the number of complaints in 2006-07 is similar to that of 2005-06, the relevant expenditure will remain unchanged.

As regards the prevention of the abuse of the complaint mechanism, if the contents under complaint are not related to the codes issued by the BA, no follow-up will be carried out.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)069

Question Serial No.

0794

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (1) Broadcast Monitoring and Regulation

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please specify the expenditure, manpower and time involved in investigating and processing an anti-competition complaint in 2005-06. Please also give an account of the case.

Asked by : Hon. TONG Ka-wah

Reply : The Television and Entertainment Licensing Authority assisted the Broadcasting Authority (BA) in processing an anti-competition complaint in 2005-06. The expenditure involved mainly the charges of engaging a consultant to conduct economic analysis of the complaint case (\$158,729).

The investigation was carried out by a Chief Entertainment Standards Control Officer, assisted by an Entertainment Standards Control Officer.

It took about three months to process the complaint. The specific work included verification of the information provided by the complainant, inviting the licensee concerned to make representation, analysis of the case, and preparation and submission of a report to the BA for decision.

The complaint alleged that a domestic free television services operator had engaged in anti-competitive conduct by supplying the exclusive broadcasting rights of a drama series and certain television channels to a domestic pay television operator.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)070

Question Serial No.

0795

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (1) Broadcast Monitoring and Regulation

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : On what basis is the estimate made that two anti-competition complaints will be processed in 2006-07?

Asked by : Hon. TONG Ka-wah

Reply : Since the competition provisions under the Broadcasting Ordinance came into operation in February 2001, the Television and Entertainment Licensing Authority has assisted the BA in processing seven competition complaints. Based on the previous figures, we estimate that two similar cases will be processed in 2006-07.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)071

Question Serial No.

1293

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title): 000 Operational
Expenses

Programme:

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In 2006-07, the Television and Entertainment Licensing Authority will delete four posts.
Please specify:

- (a) the title and rank of the posts to be deleted;
- (b) the reason(s) for deletion;
- (c) the arrangement to fill the job needs after the deletion of posts;
- (d) the estimated savings; and
- (e) the use of the savings.

Asked by : Hon. WONG Kwok-hing

Reply : (a) The four posts to be deleted in 2006-07 are as follows:

<u>Post Title</u>	<u>Rank</u>	<u>Number</u>
Assistant Clerical Officer (Film)	Assistant Clerical Officer	1
Projectionist (Broadcasting)	Projectionist	1
Entertainment Standards Control Officer (Broadcasting)	Entertainment Standards Control Officer	1
Entertainment Standards Control Officer (Film Services)	Entertainment Standards Control Officer	1

(b)& (c) The four posts are vacant posts. In the context of recruitment freeze and reducing expenditure, the Television and Entertainment Licensing Authority (TELA) has reviewed the manpower and considered it not necessary to retain these vacant posts as the related duties could be absorbed by internal re-deployment.

(d)& (e) In terms of notional annual mid-point salary value, the deletion of these four posts can bring annual savings of about \$1.01 million. TELA would re-deploy the resources for its other service areas..

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

8.3.2006
