For discussion on
12 June 2006

# Legislative Council Panel
# on Information Technology and Broadcasting

## Progress Update on the
## E-government Programme

## Purpose

This paper updates Members on the latest progress on the implementation of the e-government programme.

## Background

2.      In March 2005, we briefed Members on the key elements of the next wave of e-government development and the progress of the on-going initiatives. To recap, our next wave of e-government will focus on integrating and transforming e-services. Government bureaux and departments (B/Ds) are required to move from a government-centric way to a "whole-of-government" and customer-oriented approach in providing e-services, so as to better meet the specific needs of different customer segments.

## One-stop Access Portal (OSP)

3.      We consulted Members on our approach in implementing the new strategy for e-government service delivery at the Panel meetings held on 9 January and 13 February 2006. Subsequently on 3 March 2006, the Finance Committee approved a commitment of $170.8 million for developing the new OSP and enhancing the central infrastructure to support the implementation of the new strategy.

4.        As presented to Members at the aforesaid Panel meetings, the new strategy will be implemented in four stages[1].  We are now close to completing Stage 1 and the first release of the OSP will be soft launched in late July/early August this year for public trial use.  We will take an incremental approach in introducing the new portal to the general public as follows –

(a)    We will first invite users, in particular those with special needs (e.g. visually impaired individuals), IT industry representatives and existing users of the Government Information Centre (GIC) (www.info.gov.hk) to try out the portal and give us their feedback on its general design.  Improvements will be made to the portal taking into account the views and suggestions received;

(b)    We will then progressively invite more members of the public to try out the new portal and conduct larger-scale survey to gather customer feedback; and

(c)    after six to eight months of co-existence of the GIC and OSP, we will decommission the GIC when we are satisfied that the general public has no major accessibility and usability problems with the OSP.

In the mean time, we will broaden and deepen the service clusters by enriching the information and services housed in them.  Large-scale local and overseas publicity for the OSP will be conducted around mid-2007 when both the OSP and the service clusters have become more mature.

5.        To prepare for Stage 3 when private-sector participation will be introduced, an Expression of Interest (EOI) exercise will be conducted in the latter half of 2006 to gauge market interest in providing value-added contents and services on the OSP/service clusters, offering additional

---

[1]  Stage 1 – Develop and launch initial OSP/service clusters (around mid-2006)
    Stage 2 – Broaden and deepen service clusters (mid-2006 – end 2007)
    Stage 3 – Introduce private sector content and services (from 2007 onwards)
    Stage 4 – Consider further public private sector partnership opportunities (after January 2008)

service delivery channels (i.e. channels other than the Internet), and/or interest in operating individual clusters. We will discuss the feasibility of suggestions received in the EOI exercise with B/Ds and conduct customer research to determine whether suggested models of public-private co-operation are acceptable and appropriate from the citizens' perspective. With B/Ds and citizens' inputs, we plan to launch a Request for Proposal (RFP) exercise to select appropriate private-sector partners in the first half of 2007.

**Customer Relationship Management (CRM)**

6.       Adoption of CRM principles and practices in the delivery of e-government services is the key to provision of customer-centric services. To this end, we have formulated an implementation strategy for the wider adoption of CRM across the Government. In October 2005, we have promulgated a CRM Guide to B/Ds to assist them to better understand customer needs and preferences, and to provide customer-oriented e-government services. Besides, we have briefed Heads of Departments on the vision and strategy for adopting CRM in e-government services. Further to that, we have arranged a series of CRM seminar and workshops, starting from May 2006, for departmental staff involved in the implementation of e-government services.

**Channel Management Strategy**

7.       To help B/Ds formulate their own strategy to better manage their portfolio of service delivery channels, we plan to develop and promulgate a channel management guide in the fourth quarter of 2006. The guide will take into account the recommendations of the study on business case for government IT investment (see paragraph 8 below) and the suggestions on service delivery channels received in the EOI exercise for the OSP/service clusters.

**Business Case for Government IT Investments**

8.      We see the need for putting in place enhanced measures to identify, quantify and measure the benefits attributable to e-government projects to ensure cost-effectiveness in IT investment. To this end, we have launched a consultancy study on Business Case for Government IT Investments. The objectives of the study are to draw up, for the reference of B/Ds, a practical framework for identifying, measuring and realizing the return on Government's IT investment, on both project and aggregate basis. We believe that the formulation of such a framework as a consistent basis to be applied in B/Ds will help enhance their capability in evaluating the benefits and cost-effectiveness of Government IT projects. The study has commenced in May 2006. We will brief Members on the findings and recommendations of the study upon its completion in September 2006.

**Electronic Procurement (E-procurement)**

9.      E-procurement is one of the key initiatives under our new wave of e-government programme. Many governments that are advanced in e-services have implemented e-procurement initiatives and reported financial savings arisen from cost reduction through streamlining and unifying the procurement processes and price reducing through aggregate buying. Intangible benefits are also achieved in reducing procurement lead time, enhancing procurement management information and providing a catalyst for change in joining up different parties within government and promoting e-commerce.

10.     We have completed a consultancy study in April 2006 to map out a strategy for taking forward e-procurement in the government. The study recommended the implementation of e-procurement in the government for purchases at the B/D level which typically involve high-volume and low value purchases and rely on manual-based processes. We will adopt a "proof-of-concept" approach to test out e-procurement in a few B/Ds and assess financial and operational implications before service-wide implementation. We will seek funding from the Finance Committee at a later stage to commence the implementation of the "proof-of-concept" project in 2007.

**ESD Scheme**

11.     The ESD Scheme continues to improve its services to better serve the community.   As at end April 2006, the average monthly number of transactions has exceeded 260,000 and the average monthly hit-rate is over 137 million.

12.     The ESD Scheme has been enhanced in March 2006 to improve the performance and stability to cater for the anticipated increased usage of e-tax filing of Inland Revenue Department (IRD).   In order to facilitate the business sector in property stamping processing, the e-stamping service is also being enhanced to allow bulk submission. Furthermore,   the Census and Statistics Department will provide free download versions of detailed statistics under the ESD Scheme in late June 2006.

**Smart Identity (ID) Card**

13.     Since the rollout of the smart ID card replacement programme in June 2003, the Immigration Department (ImmD) has issued over 5 million cards by end April 2006.   Amongst the smart ID cards issued, about 1.25 million are embedded with e-Certs for cardholders to carry out secure online transactions and about 288,000 have included the library card function.

14.     In December 2004, the ImmD rolled out a number of e-channels at Lo Wu Control Point for automated immigration clearance for passengers using smart ID cards.   By adopting biometric verification technologies, smart ID card holders can enjoy more convenient service through self-service immigration clearance.   By end April 2006, a total of 194 e-channels have been installed at various control points. ImmD rolled out the e-channel for vehicle at Lok Ma Chau control point in April 2005.   By end 2006, a total of 46 e-channels for vehicle will be installed at all vehicular control points.

15.     More non-immigration applications on the smart ID card will be

progressively rolled out in 2007. These include the self-service booking kiosk for sports facilities and leisure activities of the Leisure and Cultural Services Department and the driving licence application of the Transport Department. To gauge the interest in further using the smart ID card in government and non-government applications, an Expression of Interest exercise would be conducted around mid 2006.

## Property Information Hub (PIH)

16.     To improve the openness and transparency of Hong Kong's property market, the government will make available its property information to the industry and the general public in the form of a PIH through a public-private partnership arrangement. We are now assisting the Rating and Valuation Department and the Land Registry in preparation for the tender exercise for private sector participation in the operation of the PIH. The current plan is to issue the tender by late 2006. Subject to the result of the tender exercise, it is expected that the PIH services can be launched around late 2007/early 2008.

## Geospatial Information Hub (GIH)

17.     Geospatial information plays a vital role in every modern society. It underpins not only public administration, but also commerce, business, research, tourism, civil works and many daily activities of the general public. We will work with the Lands Department in formulating a strategy, including relevant policies and standards, to oversee and coordinate geospatial data sharing and access within the government and transform the results to a better e-government service through the OSP to the general public.

## *Government-to-Employee (G2E) and Government-to-Government (G2G) Services*

18.     We are implementing an IT Accessibility Programme (AP) through which IT facilities are provided to all employees on a shared

basis. Up to March 2006, 81% of our staff have access to computer facilities and the programme is scheduled to complete by September 2006. With the provision of an e-enabled environment in B/Ds, we shall further drive the adoption of G2E and G2G services within the Government.

19. We have completed the implementation of the "e-Leave" application in 71 B/Ds by end 2005. Staff can now submit leave application on-line and the leave calculation and recording are processed electronically.

20. The "e-Payslip" initiative aims to phase out the paper salary statements issued by the Treasury. As at end April 2006, there are around 45,700 recipients of electronic payslips. The "e-Payroll and Benefits" initiative is also underway under the auspices of the Treasury. It enables government staff to inquire and transact payroll related business with Treasury online on a self-service basis. At present, staff with IT facilities can check their payroll and benefit information online. It is expected that by end 2007, staff will be able to update their personal information and apply for salary allowance online.

21. As regards G2G services, the government intranet is now supporting 13 G2G applications and more than 200 contents including internal circulars, guidelines and best practices which can be accessed across the government. In 2006, five more applications are planned for production roll out.

## Common Look and Feel (CLF)

22. We continue to improve user experience in browsing through government websites. By early June 2006, all B/Ds would have revamped their departmental websites with CLF. With the adoption of CLF standards, B/Ds will keep their websites up-to-date and consistent through regular review at least once a year.

## Service Transformation

23.      To drive and coordinate government-wide and joined up service transformation initiatives, we have set up the Service Transformation Sub-Committee (STC) under the E-Government Steering Committee in March 2006.   The STC will engage B/Ds in the process of proposing and prioritising service transformation initiatives, especially those requiring a cross-departmental and multi-skilled approach.   The STC will also identify and propose solutions for common concerns and requirements faced by B/Ds arising from the initiatives.

## Project Governance

24.      To further strengthen the governance of government IT projects in particular those large scale, complex and high-risk projects, we have enhanced the governance mechanism for IT projects.   With effect from April 2006, project risk profile assessment will be performed at the funding approval stage and health check at the implementation stage. Depending on the risk assessment result, the implementation of the project will be monitored through a 3-tier mechanism with active participation of senior levels of OGCIO (up to Government Chief Information Officer) in the concerned project steering committee.

## Conclusion

25.      The government will continue its efforts in providing integrated, one-stop and customer-centric e-services to facilitate better public access and increase user value.   In particular, we will endeavour to streamline processes across B/Ds by encouraging the development of more joined-up service transformation initiatives, so as to deliver quality services to meet the expectations of our citizens and businesses.

**Office of the Government Chief Information Officer**
**Commerce, Industry and Technology Bureau**
**June 2006**