

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

**Policy Initiatives of Communications and Technology Branch,
Commerce and Economic Development Bureau**

Introduction

This paper outlines the major initiatives related to the Communications and Technology Branch of the Commerce and Economic Development Bureau (CEDB) under the 2008 Policy Address and Policy Agenda.

Developing the Infrastructure for Economic Growth

New Initiatives

Initiative : Creative Economy

2. The Chief Executive proposed in the Policy Address last year that Hong Kong should seek to develop our creative economy. CEDB, under the leadership of the Financial Secretary, has been tasked to oversee the policy of developing the creative economy in Hong Kong and formulating an overall strategy for implementation.

3. CEDB will redeploy existing resources from the Television and Entertainment Licensing Authority, Innovation and Technology Commission, Office of the Government Chief Information Officer and Trade and Industry Department to set up a dedicated office for the creative industries in the Bureau. The office will be responsible for inter-bureau/departmental coordination and will work closely with the industries to jointly drive development of this sector. It will also consider integrating resources for better and more effective support to the creative industries. We will brief the Panel shortly about the redeployment plan.

4. In the meantime, we will continue to strengthen our ongoing efforts to drive the development of the creative industries, as well as to promote the achievements of our creative industries both locally and outside Hong Kong. We will also seek to strengthen and expand existing incubation programmes to better support our infant creative industry establishments.

Initiative : Release radio frequency spectrum for the introduction of mobile TV services.

5. The Government's policy objective is to enhance Hong Kong's position as a regional communications hub. We are a leader in 3G mobile communications technology which allows for streaming-type mobile multimedia services. To take this to the next level, we carried out two rounds of public consultation on the development of broadcast-type mobile TV services in 2007 and 2008 respectively. We have also consulted this Panel on the subject. There is a positive response to the early introduction of mobile TV services in Hong Kong. We are now finalising the implementation framework, which will be announced before the end of the year. We plan to release the required radio frequency spectrum in 2009 to facilitate the early introduction of mobile TV services. We will brief the Panel on the detailed arrangements in the coming months.

Initiative : Release radio frequency spectrum by auction for expansion of the existing second generation mobile services.

6. The Government completed a consultation exercise on the "Assignment of the Available Radio Spectrum in the 900 MHz and 1800 MHz Bands" in July 2008. After careful consideration of the submissions received, we have decided to make available the radio spectrum in the 1800 MHz band to the existing mobile network operators for service expansion so that they can provide better services to the public. In line with the Spectrum Policy Framework promulgated in April 2007, a market-based approach will be used to assign the available spectrum.

7. We will brief the Panel on the matter shortly. We aim to introduce the necessary subsidiary legislation by end 2008. Subject to completion of the negative vetting process, we will publish the bidding documents and conduct the auction of the spectrum in the first half of 2009.

Initiative : Examine the feasibility of introducing radio spectrum trading in Hong Kong.

8. Spectrum trading is a market mechanism which can facilitate economic and technically efficient use of the radio spectrum, which is a scarce public resource. As a follow-up action to the Spectrum Policy Framework promulgated in April 2007, the Office of the Telecommunications Authority (OFTA) has commenced examining the feasibility of introducing spectrum trading in Hong Kong by identifying the implementation issues associated with the introduction of a spectrum trading regime. We target to complete the study in mid-2009, and then consult the industry and the Panel on the way forward.

On-going Initiatives

Initiative : Finalising the arrangements for the auction of radio frequency spectrum for the introduction of Broadband Wireless Access service to be held in the first quarter of 2009.

9. To facilitate Hong Kong to develop into a leading wireless city, we have decided to release the available spectrum in the 2.3 GHz and 2.5 GHz bands for Broadband Wireless Access (BWA) services. We briefed this Panel on the initiative in December last year. We plan to auction the spectrum in the first quarter of 2009.

Initiative : Extending the coverage of digital terrestrial television progressively with the building of 22 supplementary transmission stations from 2009 to 2011 and studying the feasibility of making use of this opportunity to improve television reception in certain remote and less populated areas.

10. Digital terrestrial television (DTT) was successfully launched at the end of last year, the coverage of which has already been extended to 75% of population by August 2008. More people can enjoy better quality pictures and enhanced audio-visual features, including high definition television (HDTV) and surround sound, with more programme choices from additional television channels and value-added services (e.g., closed captioning, electronic programme guide (EPG), interactive services, etc.).

11. DTT has been generally well-received by the public. According to a survey conducted by the Government and the two domestic free television programme service licensees in September this year, nine months after DTT was launched, about 23% of the households (approximately 530,000) are watching DTT via DTT receivers (including set-top boxes or integrated digital television sets) or computers.

12. To allow more people to enjoy the benefits brought by DTT, we will work closely with the two domestic free television programme service licensees to progressively extend the DTT coverage by building 22 more supplementary transmitting stations from 2009 to 2011. The ultimate DTT coverage will be on a par with or better than that of the existing analogue television broadcasting. We will take this opportunity to study the feasibility of making use of the DTT implementation to improve television reception in remote and less populated areas currently suffering from poor reception of analogue terrestrial television.

Initiative : Reviewing the existing arrangements for public service broadcasting, including the future of Radio Television Hong Kong and the feasibility of introducing community and public access broadcasting, and planning to extensively engage the public in mapping out future policy.

13. In the light of the changing broadcasting landscape, the Government appointed in 2006 an independent committee, comprising non-official professionals from the industry, to review the policy on public service broadcasting (PSB). The review committee submitted its report to the Government in 2007. The Report contained recommendations on the institutional, financial and programming arrangements for establishing PSB in Hong Kong. Subsequently when the Report was released, some sectors of the public raised issues related to the subject, including community broadcasting and public access channels.

14. The above matters have far-reaching implications on the broadcasting, social and cultural landscape, and will affect the future of Radio Television Hong Kong (RTHK). As such, the Government is examining the review committee's report and the relevant matters carefully. The issues are complicated and we need to take more time to study the subject than we earlier anticipated. We will widely engage the public and RTHK staff in consultation when we map out the future PSB policy.

Initiative : Continuing to implement the 2008 Digital 21 Strategy and developing new strategic programmes and desired outcome based on the key focus areas in the Strategy, so as to harness the benefits of IT for business and citizens and to strengthen Hong Kong's position as a leading digital city in the world.

15. The Digital 21 Strategy lays down the blueprint for Hong Kong's development in information and communications technology (ICT). The vision is to promote Hong Kong as a leading digital city with the following attributes –

- (a) A vibrant digital economy;
- (b) A centre for advanced technology and innovation;
- (c) A hub for technological cooperation and trade;
- (d) A leader in the use of e-government to deliver convenient and efficient public services; and
- (e) An inclusive knowledge-based society.

16. To help us define goals and measure progress, we have developed statements of desired outcomes for each of the key action areas of the 2008 Digital 21 Strategy. In coming months, we will develop a method for measuring progress towards these objectives with the ultimate aim of setting specific quantified targets. Using the desired outcomes and progress measurement as our guide, we will regularly review the results of initiatives of the Strategy and, according to needs, consider refining the portfolio of strategic programmes. We will update the Panel on the progress of the initiatives under the Strategy.

Initiative : Maintaining Government information security policies and practices at very high standards and ensuring their compliance. Advising public organisations and regulated sectors to do the same. Enhancing the computer emergency response centre services to strengthen the capability of information security risk management and incident handling of Hong Kong. Further promoting public awareness of information security threats and mitigation measures.

17. Recent information security incidents have demonstrated that risks may constantly emerge that can lead to loss or leakage of sensitive information, including personal data. We have been enhancing our efforts to promote information security. To strengthen the protection of Government data against emerging security threats, we will continue to implement security enhancement programmes, paying particular attention to staff awareness and education, technical and procedural measures, security compliance checking and review of security regulations, policies and guidelines. We will also continue to advise and assist public organisations and regulatory bodies to enhance their information security and tighten their regulatory regimes.

18. To develop a secure and reliable e-community, public education plays a key role. We will continue to enhance our efforts to raise public awareness of the appropriate use of computers. We will continue to provide the reference resources through our one-stop information security portal and organise seminars and exhibitions on information security in collaboration with different industries and professional bodies.

19. In view of the rapidly changing business environment, fast adoption of Internet channels and the impact of more sophisticated cyber crimes and information security threats to the community, we have completed an institutional review of the Computer Emergency Response Centre (CERC) services in Hong Kong and have devised a proposal for the long-term and sustainable arrangement of the CERC services provision. Before the implementation of the new CERC regime, we will solicit the views of the relevant industry bodies to determine the priorities, goals, service levels and collaborators of the CERC. We will also brief the Panel on the arrangements.

Quality City And Quality Life

New Initiatives

Initiative : Revitalise the market for Hong Kong films in South East Asia including Taiwan, Singapore and Malaysia.

20. Hong Kong films have traditionally had a very strong market in South East Asia, but this is no longer the case because of a downturn in our film industry and a lack of promotional focus in the region. To

rebuild the traditional markets of Taiwan, Singapore and Malaysia, we are organizing a promotional campaign under the banner of “The New Era of Hong Kong Films”. We will lead a Hong Kong delegation, comprising members of the Film Development Council and industry representatives who are familiar with buyers, distributors and film producers of the market to visit the three places. We will also invite the representatives from these three places as well as local industry figures to participate in forums and seminars on the promotion of Hong Kong films as well as local film directors to be held in Hong Kong in early 2009.

Initiative : Commence reviewing the operation of the Film Development Fund.

21. Following the injection of \$300 million and expansion of the scope of the Film Development Fund (FDF) to provide financial support for the production of small and medium-sized films, we have undertaken to review the FDF in consultation with the film industry in around two years’ time. We will assess the effectiveness of the FDF as well as its operation and procedures to ensure that the Fund genuinely can assist in the revitalization of the local film industry.

Investing for a Caring Society

New Initiative

Initiatives : Spearhead a pilot scheme in setting up district cyber centres to enable children from low income families and other needy local residents to gain access to the rich pool of information and knowledge in the cyber space. This aims to facilitate the upward mobility of the underprivileged groups through enhancing their literacy in information technology, and enhance social integration at the localities. We will encourage a tripartite partnership amongst the Government, community organisations and private sector in establishing and managing the centres, and to enable enterprises to fulfil their social responsibilities by showing care to the disadvantaged.

22. To build an inclusive, knowledge-based society, we need to ensure that no one is excluded from the use of information and communications technology and everyone can participate fully in the community.

23. We have announced a pilot scheme to roll out District Cyber Centres (DCCs). DCCs will provide computing facilities, Internet connectivity, technical support, training, counselling and similar services for anyone who is digitally disadvantaged. Under the pilot scheme, community organisations and private sector sponsors are invited to form a tripartite partnership with the Government to lead the implementation and management of the DCCs.

24. We have received very encouraging responses from industry and community organisations to the expression of interest exercise on DCC and have identified potential implementation proposals and prospective partners for the pilot. We are now conducting detailed feasibility analysis with the shortlisted partners and considering the potential partnership arrangement in taking forward the implementation of the programme. We aim to commence the pilot operation by early 2009.

Technology Development

New Initiatives

Initiative : HK – Mainland Collaboration

25. We will continue to support technology development through the provision of financial and infrastructural support, with a view to enhancing Hong Kong's competitiveness. We will also continue to strengthen our role as the conduit for technological collaboration between the Mainland and the rest of the world. In May this year, we, together with the Shenzhen authorities, successfully secured DuPont to set up its Global Thin Film Photovoltaic Business and Research and Development (R&D) Centre at our Science Park, with production facilities in Shenzhen. We will continue to work with Shenzhen using this collaboration model to bring out the full potentials of the Shenzhen-Hong Kong Innovation Circle.

Initiative : Strengthen investment in our research and development personnel by extending the Internship Programme under the Innovation & Technology Fund to our R&D centres and expanding the pool of recruits to cover graduates of master or higher degree as well as to non-local graduates.

26. In technology development, human capital is an important input factor. To nurture more local talent, we have been operating an Internship Programme under the Innovation and Technology Fund to attract promising university graduates to undertake R&D projects supported by the Fund, in preparation for eventually taking up R&D jobs in the commercial and industrial sectors. We have recently enhanced this scheme by increasing the allowance for employing these graduates, and expanding the Programme to cover higher degrees and graduates from local universities of non-local origins, including those from the Mainland. We will now extend the Programme to the R&D Centres set up under the Fund to further groom our talent.

Developing Democracy And Enhancing Governance

New Initiatives

Initiative : Enhance the Governmental portal, GovHK, to provide more personalised interface for services and information to better meet the needs of users.

27. To further pursue our principle of “people based governance”, we aim at continuously improving our Government services delivery with a view to bringing more convenience to the general public. We plan to enhance the existing Government portal, GovHK, to provide a more personalized and user-centred service for the public. We will roll out the enhanced portal in phases, progressively adding new features and services.

28. Features under consideration for the first phase include a personalized web page showing services subscribed to by each user, an integrated user account with a single registration process for accessing multiple e-Government services and handling various online transactions, suggestions of new services that a user might find useful, updates on progress of applications already submitted, reminders of forthcoming deadlines, a message-box for communicating with the Government, relevant news feeds, and an integrated service for finding answers to common questions. We will prioritise the features based on user feedback and the cost and time for implementation. In the longer-term we aim to use the portal and its supporting infrastructure to provide new joined-up services that integrate or streamline services currently provided by different bureaux/departments.

On-going Initiatives

Initiative : Reviewing the provisions of the Control of Obscene and Indecent Articles Ordinance in light of prevalence of new media, and planning to extensively engage the public in mapping out future options for improvement.

29. We launched the public consultation on the review of the Control of Obscene and Indecent Articles Ordinance (COIAO) on 3 October. We plan to conduct two rounds of public consultation on the review. In the first round, we have raised issues of concern to the community for deliberation. We have not proposed specific measures to address the issues but have set out various options. We will consult the community extensively on all the issues raised through focus groups and town hall discussions. The focus group discussions aim to engage representatives from specified sectors. The town hall meetings will be open to District Council Members and the public. We will also conduct a public opinion survey. We will collect views extensively from all walks of life before mapping out proposed measures for the second round consultation. We will also consult the Panel at the meeting next month.

30. Our policy objectives are to strike a proper balance between preserving the free flow of information and safeguarding freedom of expression on the one hand, while protecting our young people from the harmful effect of indecent and obscene articles on the other. Under the current policy and systems, there is no compulsory pre-censorship before the publication of an article. We will firmly follow these policy objectives and core values in conducting the review.

**Communications and Technology Branch
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