

**For discussion  
on 20 November 2008**

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

**Capital Works Reserve Fund Head 710 Computerisation  
Subhead A007GX – New administrative computer systems**

**Introduction**

This paper seeks Members' support for the funding requirement for 2009-10 for the implementation of computerisation projects under the Capital Works Reserve Fund (CWRP) Head 710 Computerisation Subhead A007GX – New administrative computer systems.

**Background**

2. CWRP Head 710 Computerisation is the Head of Expenditure to meet funding requirements on administrative computer systems and consultancies for feasibility studies and system development. The sources of funding and approving authority of such projects can be broadly classified as follows:

- (a) *Projects costing above \$10 million each* – these projects are subject to the specific approval of the Finance Committee (FC) of the Legislative Council and are to be funded under separate subheads of Head 710. The subject bureaux/departments (B/Ds) as the project owners of these major computerisation projects are responsible for the funding submissions to the FC and monitoring project delivery.
- (b) *Projects costing above \$150,000 but not exceeding \$10 million each* – these projects are funded through a block allocation under CWRP Head 710 Subhead A007GX (the block allocation). The

Financial Secretary has delegated to the Government Chief Information Officer (GCIO) the power to approve projects and authorise expenditure under the block allocation. Projects funded this way are normally called block vote projects.

- (c) *Projects each costing \$150,000 or below* – these projects are funded by individual B/Ds through their respective operational expenses subheads under the General Revenue Account.

3. The block allocation is the expenditure in a given financial year to meet the cashflow requirements arising from approved or to-be approved block vote projects from B/Ds. Each year, the Office of the Government Chief Information Officer (OGCIO) estimates the funding requirements for the block allocation in the following financial year by taking into consideration approved block vote projects, new proposals submitted by B/Ds and anticipated new projects for various e-government initiatives to be submitted.

4. To ensure optimal utilization of funds under the block allocation, cashflow requirements of approved block vote projects will be reviewed on a half-yearly or quarterly basis subject to the utilisation situation. During the review, project owners shall critically review the project schedule and provide their realistic cashflow requirements based on the latest project implementation progress. This arrangement will avoid unnecessary locking up of funds by individual projects and enable GCIO to deploy funds to other urgent or priority requirements that are chargeable to the block allocation.

### **Funding Requirement for 2009-10**

5. Taking into account the proposals submitted by B/Ds and our forecast of other projects to be initiated in the coming financial year, we estimate that for 2009-10, a block allocation of **\$600 million** will be required under Head 710 Subhead A007GX. This includes \$413 million for 284 projects initiated in 2008-09 or earlier; and \$187 million for about 174 new projects.

6. The proposed allocation for 2009-10 is the same as the provision for the current (2008-09) financial year (\$600 million for a total of 378 projects, comprising of 262 ongoing projects and 116 new projects). We will monitor and manage the use of the approved funds to ensure due adherence to prevailing government policies and relevant legislations, and properly delivery of the desired outcomes for the key action areas of the 2008 Digital 21 Strategy.

7. The projects to be implemented can be broadly classified into the following three main categories:

- (a) Projects to enable the delivery of better services to the citizens and businesses;
- (b) Projects to attain greater efficiency and productivity; and
- (c) Projects to enhance the e-government infrastructure of individual B/Ds.

A tentative allocation of the funding requirements, with new projects broken down into the above categories, is at **Annex A**. Examples of new projects to be initiated in 2009-10 are given at **Annex B**. The highlights of the block vote project portfolio will include a number of projects to enhance the one-stop portal, GovHK, with additional features and to increase the degree of personalisation and service integration. There will also be a number of projects undertaken by B/Ds to enhance information security, as well as initiatives on electronic information management to improve operational efficiency, record-keeping, knowledge management and information security across the Government.

8. B/Ds are required to observe the following guiding principles in formulating computerisation project proposals:

- (a) to support the e-government strategies for the management and use of information and communications technology;
- (b) to integrate e-government into their overall business plans to derive more business benefits and as a fundamental part of their service delivery approach;

- (c) to embrace a citizen-centric culture and adopt customer relationship management principles and best practices in the delivery of public services;
- (d) to build in service transformation and business process re-engineering in all organisation/business reviews;
- (e) to proactively identify opportunities for joining up services across departmental boundaries, take ownership of the projects and account for their performance/benefits; and
- (f) to rationalise service delivery channels and migrate customers to the most efficient, user-friendly and cost-effective channels.

### **Submission of Funding Application to the Finance Committee**

9. Funding approval for all CWRF block allocations (including the Subhead A007GX block allocation) will be sought from FC (tentatively on 9 January 2009), after endorsement by the Public Works Subcommittee (tentatively on 3 December 2008).

### **Advice Sought**

10. Members are invited to give support to the proposed block allocation to be sought from FC for CWRF Head 710 Subhead A007GX in 2009-10.

**Office of the Government Chief Information Officer  
Commerce and Economic Development Bureau  
November 2008**

**Tentative Allocation of the Proposed Funding for 2009-10 under  
CWRF Head 710 Computerisation Block Allocation  
Subhead A007GX – New administrative computer systems**

	<b>No. of Projects</b>	<b>(\$'M)</b>
<b>Projects initiated in 2008-09 or earlier:</b>	<b>284</b>	<b>413</b>
<b>New Projects:</b>	<b>174</b>	<b>187</b>
(a) To deliver better services to citizens and businesses (e.g. provision of citizen-centric e-services, such as registration and licensing systems, personalised services on GovHK, etc.)	58	62
(b) To attain greater efficiency and productivity (e.g. business process management and information management systems)	60	65
(c) To enhance the e-government infrastructure in government departments (e.g. IT security enhancement and technology upgrade)	56	60
<b>Total:</b>	<b>458</b>	<b>600</b>

**Examples of New Projects Seeking Funding  
under the Proposed Allocation for 2009-10  
CWRF Head 710 Computerisation Block Allocation  
Subhead A007GX – New administrative computer systems**

<b>Item No.</b>	<b>Project Description</b>	<b>Project Estimate (\$'M)</b>
<b>(a) To deliver better services to citizens and businesses</b>		
1.	Upgrading of Vessel Traffic System-Informatics Subsystem (Marine Department)	9.953
2.	Licensing of Chinese medicines traders and registration of proprietary Chinese medicines (Department of Health)	9.916
3.	Implementation of personalised services and features on GovHK (OGCIO)	9.500
4.	Development of a multiple application registration system to enable a user to choose his own account to manage different Government e-services (OGCIO)	9.500
5.	Development of application interface and integration middleware for Government e-services (OGCIO)	9.300
6.	Set up of a centralised frequently asked questions database (OGCIO)	7.900
7.	Implementation of business registration e-Services for incorporated companies (Inland Revenue Department) (IRD)	5.420
<b>(b) To attain greater efficiency and productivity</b>		
8.	Serviceability Management System (Leisure and Cultural Services Department)	9.880
9.	Departmental Human Resources Management System (Civil Service Bureau)	9.800

**Annex B**

<b>Item No.</b>	<b>Project Description</b>	<b>Project Estimate</b> (\$'M)
10.	Revamping of Slope Maintenance Responsibility Information System (Lands Department)	9.790
11.	Computer system for processing the non-franchised bus applications (Transport Department)	9.642
12.	Consultancy study to define electronic information management (EIM) strategies for B/Ds as the first wave of EIM implementation (OGCIO)	9.000
13.	Replacement of the Selective Placement System of the Selective Placement Division of the Labour Department (Labour Department)	8.973
14.	Overhaul of demographic statistics systems (Census and Statistics Department)	7.150
15.	Revamping of Market Stall Rental System (Food and Environmental Hygiene Department)	3.819
<b>(c) To enhance the e-government infrastructure</b>		
16.	Upgrading of hardware and operating system of computer terminals (Hong Kong Police Force)	9.957
17.	Enhancement of the security of the Central Internet Services (OGCIO)	9.950
18.	Upgrade of database platform – Phase II (Rating and Valuation Department)	9.889
19.	Replacement of legacy PC (IRD)	9.800
20.	Upgrading of e-mail system (Buildings Department)	5.470