

**Replies to initial written questions raised by Finance Committee Members  
in examining the Estimates of Expenditure 2010-11**

**Director of Bureau : Secretary for Commerce and Economic Development  
Session No. : 6**

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

**CEDB(CT)001**

Question Serial No.

0686

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: It is mentioned in Programme (1) of the Commerce and Economic Development Bureau (Communications and Technology Branch) that the operation of the Film Development Fund (FDF) Scheme had been reviewed. As a matter of fact, the FDF had been criticised by the film industry for failing to support its development in the past. It was only until recently that the film *Echoes of the Rainbow*, which was funded by the FDF, could have won the Crystal Bear for the Best Feature Film in the Generation section of the Berlinale. Will the Bureau examine why the FDF has been failing to revitalise the film industry? Will the Bureau learn from the past experience and reform the FDF?

Asked by: Hon. CHAN Kin-por

Reply: At its meeting on 6 July 2007, the Finance Committee of the Legislative Council approved the Government's proposal to inject \$300 million into the FDF with an expanded scope to provide financial support for the production of small-to-medium budget films, and to continue to finance projects which are beneficial to the long-term and healthy development of the film industry. The funding support from the Government for film production aims to encourage more commercial investment in film productions, create a larger mass of film activities, more employment opportunities, and assist the film industry to revitalise and develop further. In 2009, there were over 70 films (including Hong Kong-Mainland co-productions) produced, representing an increase of 30% as compared with 54 films in 2008. There is a clear sign of revival of the local film industry since the expansion of the funding scope of the scheme. From October 2007 (when the FDF started to receive applications for financing film productions) to 1 March 2010, a total of 14 applications have been approved at a total amount of \$38.77 million.

Of the 14 approved film productions, there are 6 new directors and 5 new producers directing or producing commercial films for the first time.

Nevertheless, in order to improve the FDF scheme to better suit the needs of the film industry, we conducted a review of the scheme from March to June 2009. A working group, consisting of industry members, was formed to collect and assess feedback from the industry. The review covered issues including the user-friendliness of the application forms, the terms and conditions of Government's funding for film productions, and the effectiveness of the FDF in promoting the long-term, sustainable development of the industry. During the review, we held a number of consultation sessions with the stakeholders including the Panel of Examiners, applicants and various film associations and trade organisations. Based on the feedback received, we submitted the review findings to the Film Development Council (FDC) for consideration in August 2009. After considering the review findings, the FDC recommended that the operation of the scheme should be improved in the following respects:

(i) to raise the upper limit of the production budget of a film project supported by the FDF from \$12 million to \$15 million;

(ii) to raise the upper limit of Government's contribution per approved film project from 30% to 40%; and

(iii) to remove the 10 years' time-limit for relevant film-making experience in respect of the applicant, the film director or producer.

The film industry considers, and the Government agrees, that the proposed improvements will better meet the needs of the industry and are in line with the objectives of the FDF. We will also improve the layout of the application forms, provide bilingual texts for all contract documents and samples, and arrange briefing sessions and seminars for film practitioners to explain to them the relevant application rules and procedures.

The proposed improvement measures were supported by the Panel on Information Technology and Broadcasting of the Legislative Council, and will be implemented with effect from the first quarter of 2010.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010



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

**CEDB(CT)002**

Question Serial No.

1357

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: It is noted that 3D animation technology in Hong Kong are up to the world-class level, but work and job opportunities in this field are very scarce. In 2010-11, how much resources will be allocated for promotion in this aspect? Will any concessionary measures be implemented to encourage the businesses to invest in 3D animation creation so as to increase jobs and provide job opportunities for graduates in this field?

Asked by: Hon. CHEUNG Hok-ming

Reply: The Administration has been actively supporting industry-led projects through various funding sources to enhance the industry's capability in 3D production. For example, the use of 3-D technologies in film and animation production was the main theme for discussion at the Cyberport Digital Entertainment Leadership forum held in 2008, which was partially funded by the Government.

In 2009, the Film Development Fund (FDF) administered by Create Hong Kong co-invested in the production of a feature animation entitled "Mcdull Kungfu Ding Ding Dong", which achieved good box office success in the Mainland. The movie was also produced with 3-D animation technology.

This year, the Film Development Council (FDC) is extending its "Hong Kong Film New Action" initiative to cover the one-stop post-production service and 3-D film production facilities available in Hong Kong. To this end, the FDC will launch a series of promotional activities at FILMART 2010 to be held in March 2010, including setting up a promotional booth on "The Making of Hong Kong 3-D Movies" and organising the "Asia Visual Effects and Digital Film Making Summit 2010 – Emerging Digital Movie Making in Asia", the "3-D Movie Workshop - Production and Post-production" and the "3D Movie Technology Seminar". It is expected that some 4 600 visitors from all over the world will be coming to FILMART 2010. By showcasing to the world Hong Kong's 3-D film production facilities and achievements, the event aims to attract overseas investors to use the one-stop post-production service of Hong Kong and to build up long-term collaboration relationship, thereby promoting Hong Kong as a 3-D film production centre in Asia.

As regards creating job opportunities in the digital entertainment industry, the Government is providing funding support to the Cyberport Digital Entertainment Incubation-and-Training Programme to help local talent to set up their own business which would create job opportunities in the industry.

We will also facilitate job matching by supporting industry-led projects through the CreateSmart Initiative. The Government will continue with its efforts to drive the development of the digital entertainment industry, in particular in the area of 3-D production, as well as to facilitate creation of opportunities for our talent to enter the sector.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)003**

Question Serial No.

2397

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (All Programmes)

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the consultation exercises conducted for formulating and assessing policies under all Programmes, please provide details of the consultation exercises funded in 2009-10 in the following format:

Title and content of the consultation exercise	Revised estimate (\$)	Progress of the consultation exercise (under planning / in progress / completed)	Consultation mode (e.g. collection of submissions, consultation meetings, focus group discussions, etc.), number of activities held, organisations consulted and number of persons consulted	Follow-up actions on the consultation results taken and their progress (if any)	Have the consultation results been released to the public if completed? If so, through which channels? If not, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

Title and content of the consultation exercise	Revised estimate (\$)	Progress of the consultation exercise (under planning / in progress / completed)	Consultation mode (e.g. collection of submissions, consultation meetings, focus group discussions, etc.), number of activities held, organisations consulted and number of persons consulted	Follow-up actions on the consultation results taken and their progress (if any)	Have the consultation results been released to the public if completed? If so, through which channels? If not, what are the reasons?
The New Radio Television Hong Kong: Fulfilling its Mission as a Public Service Broadcaster	Minimal expenditure which is absorbed by operating expenses	Completed	Invitation of submissions on CEDB's webpage, focus group discussions, meetings with stakeholders including Legislative Council Panel on Information Technology and Broadcasting, District Council Members, representatives of academic institutions, concern groups, think-tanks, etc., and telephone public opinion survey.	Views received are being collated and the consultation report is being compiled.	The consultation report will be released to the public when ready.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce and Economic Development (Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)004**

Question Serial No.

2398

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (All Programmes)

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the consultation exercises conducted for formulating and assessing policies under all Programmes, is there any financial provision allocated for conducting consultation exercises in 2010-11? If so, please provide the following information:

Title and content of the consultation exercise	Expenditure (\$)	Progress of the consultation exercise (under planning / in progress / completed)	Consultation mode (e.g. collection of submissions, consultation meetings, focus group discussions, etc.), number of activities held, organisations consulted and number of persons consulted	Will the consultation results be released to the public if they are expected to be completed in 2010-11? If so, through which channels? If not, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply: No provision is allocated for conducting consultation exercises in 2010-11.

Name in block letters D.W. Pescod

Permanent Secretary for Commerce  
and Economic Development  
Post Title (Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)005**

Question Serial No.

0353

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide figures on the reports of suspected contravention of the Unsolicited Electronic Messages Ordinance (UEMO) received in 2009-10, including:

- (a) a breakdown of different kinds of unsolicited electronic messages received by source and the number of reports concerned;
- (b) the number of reports processed and prosecutions resulted; and
- (c) the number of reports not covered by the UEMO (e.g. person-to-person telemarketing calls).

Asked by: Hon. HO Chung-tai, Raymond

Reply: (a) A breakdown showing reports received on different kinds of unsolicited electronic messages from April 2009 to February 2010 is shown in the table below:

<b>Type of Unsolicited Electronic Messages</b>	<b>Number of Reports Received</b>
- Fax messages	3 350 (69.6%)
- Email messages	669 (13.9%)
- Pre-recorded telephone messages	585 (12.2%)
- Short messages	29 (0.6%)
- Others	177 (3.7%)
<b>Total</b>	<b>4 810 (100.0%)</b>

- (b) During the period April 2009 to February 2010, a total of 5 541 reports were processed, resulting in the issue of 104 warning letters. Since the full commencement of the UEMO, no prosecution under the UEMO has been conducted so far. This is because after the Office of the Telecommunications Authority issued the warning letters and followed up with the senders on their rectification action, the situation did not warrant further enforcement actions.
- (c) From April 2009 to February 2010, 507 reports (or 9.1% of all reports handled) were found to be outside the scope of the UEMO. 86 out of these 507 reports related to

person-to-person telemarketing calls while the majority of other cases were about non-commercial electronic messages.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)006**

Question Serial No.

0476

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme:

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the studies commissioned to consultants by the Bureau for the purposes of formulating and assessing policies, if any, please provide details of the funded projects related to public policy research studies and strategic public policy research studies from 2007-08 to 2009-10 in the following format:

Name of consultant	Title, content and objective of the project	Consultancy fee (\$)	Commencement date	Progress of studies (under planning / in progress / completed)	Follow-up actions on the studies taken by the Administration and their progress (if any)	If completed, have they been published to the public? If so, through which channels? If not, what are the reasons?

Asked by: Hon. HO Sau-lan, Cyd

Reply: No consultancy study was commissioned from 2007-08 to 2009-10.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010



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

**CEDB(CT)007**

Question Serial No.

0477

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme:

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Is there any project for which provision has been allocated for conducting consultancy studies in 2010-11? If so, please provide the following information:

Name of consultant	Title, content and objective of the project	Consultancy fee (\$)	Commencement date	Progress of studies (under planning / in progress / completed)	Will the studies be published to the public if they are expected to be completed in 2009-10? If so, through which channels? If not, what are the reasons?

Asked by: Hon. HO Sau-lan, Cyd

Reply: No provision is allocated for conducting consultancy studies in 2010-11.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)008**

Question Serial No.

1968

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme:

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: How much resources had been used/will be earmarked for payment of the following expenditures for activities in 2008-09, 2009-10 and 2010-11 respectively? What activities are involved and what are their policy objectives?

- (a) The expenditure incurred by local officials conducting duty visits, attending exchange activities and meetings in the Mainland.
- (b) The expenditure incurred from exchange activities, entertainment and meetings with Mainland officials and authorities in Hong Kong.
- (c) The expenditure incurred by local officials conducting duty visits, attending exchange activities and meetings overseas.
- (d) The expenditure incurred from exchange activities, entertainment and meetings with overseas officials and authorities in Hong Kong.

Asked by: Hon. HO Sau-lan, Cyd

Reply: The actual expenditure for 2008-09 and estimated expenditure for 2009-10 incurred by officials of this Branch for conducting duty visits, attending exchange activities, entertainment and meetings are as follows –

	<b>2008-09 (\$'000)</b>	<b>2009-10 (\$'000) (Note)</b>
For conducting duty visits, attending exchange activities and meetings in the Mainland	140	241
For exchange activities, entertainment and meetings with Mainland officials and authorities in Hong Kong	7	2
For conducting duty visits, attending exchange activities and meetings overseas	141	691
For exchange activities, entertainment and meetings with overseas officials and authorities in Hong Kong	0	2

Note: The figures for 2009-10 include the relevant expenditures for the Create Hong Kong office since its establishment under the Communications and Technology Branch on 1.6.2009.

In the 2010-11 estimates, we have included a provision of \$1 million for conducting duty visits, attending exchange activities and meetings in the Mainland and overseas; and \$10,000 for exchange activities, entertainment and meetings officials and authorities from the Mainland and overseas countries in Hong Kong.

The above activities include attending international forums, visits, sharing sessions, exchanges of professional advice, signing of agreements, etc. These activities help strengthen our cooperation and partnership with the Mainland and overseas countries in line with the policy objectives of promoting the development of broadcasting, film and creative industries, facilitating the development of the telecommunications industry in Hong Kong, and enhancing Hong Kong's position as a broadcasting and film production centre, a creative capital and a telecommunications hub.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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

**CEDB(CT)009**

Question Serial No.

0717

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: As regards the second round consultation on the review of the Control of Obscene and Indecent Articles Ordinance (COIAO), please give an account of the amount of provision earmarked, its details and specific breakdown. What is the expected time for submission of the amended ordinance after review to the Legislative Council?

Asked by: Hon. IP Kwok-him

Reply: An amount of \$2 million has been set aside in the estimates of 2010-11 for the second round of consultation on the review of the COIAO (淫褻及不雅物品管制條例). The estimated expenditure is for the following areas –

- printing of posters and booklets, and production of CD-ROM;
- organising district forums (地區論壇) and focus groups discussions (專題小組討論);
- organising publicity programmes including TV drama, TV announcements of public interest, advertisements on newspapers, radio and the Internet, and thematic website; and
- commissioning of a consultant for the public consultation exercise.

In response to the highly diverse views collected in the first round of public consultation, the commissioned Consultant considered that there should be ample support from the majority of the public before the Government should make a decision on whether and how changes should be made to the regulatory regime. We accept the Consultant's recommendations and consider that any amendments to the Ordinance should only be made when there is clear support by the majority of the community. We will consult extensively in the second round of public consultation and proceed with implementing improvement measures on which the community has reached a general consensus. Whether this would involve amendment to the legislation depends on the details of the measures involved.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)010**

Question Serial No.

0718

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: As regards the regulation of person-to-person (P to P) telemarketing calls, the Bureau has mentioned that it will work with the industry on a self-regulation scheme. What are the details of the co-operation? What is the role of the Bureau in the self-regulation scheme? Does the Bureau decide to take a non-legislative regulation approach?

Asked by: Hon. IP Kwok-him

Reply: The way forward on tackling the issue of P to P telemarketing calls is to encourage companies engaged in such calls to comply voluntarily with a code of practice which contains the necessary ingredients to protect the interest of call recipients such as requiring the calling companies to display the calling number, maintain an in-house do-not-call list and establish a system to respond effectively to unsubscribe requests. In this connection, the Office of the Telecommunications Authority has circulated a draft Code of Practice (CoP) for associations representing the main industries engaged in P to P telemarketing calls, namely telecommunications, call centres, finance and insurance. We understand some members of these industries plan voluntarily to adopt the CoP by the second quarter of 2010.

We will review the effectiveness of the CoP when the relevant industries have adopted it for a year, with a view to allowing sufficient time for the industries to implement the CoP and obtain reasonable implementation experience. In the review, we will examine a range of factors including the extent of adoption of the CoP by the industries engaged in P to P telemarketing calls, the number of complaints received and settled satisfactorily, and the updated view of the public and the relevant industries on such calls.

We will closely monitor the effectiveness of the measure on the problem posed by P to P telemarketing calls. If it is found that further measures, such as regulation by legislation, are required, we will seek the views of the Legislative Council accordingly.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)011**

Question Serial No.

0720

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: As regards launching the Hong Kong exhibition in the Urban Best Practices Area of the Shanghai Expo, the Bureau has stated that events and activities will be organised during the Expo period in collaboration with the creative industries. What are the details of such events and activities? What is the specific breakdown of the expenditures? How is the effectiveness of the events and activities be evaluated?

Asked by: Hon. IP Kwok-him

Reply: The World Exposition 2010 Shanghai China (“Shanghai Expo”) will be held from May to October this year. We have been working with our creative industries including the comics and animation, fashion, advertising, design and film sectors to organise a series of activities during this period in Shanghai to promote Hong Kong’s creative industries to visitors of the Shanghai Expo from all over the world. We have adopted the theme of creative industries for the months of September and October 2010, and a range of activities including fashion show, film show, forum on brand building and advertising, comics and animation exhibition, etc are being planned to be held in these two months. As the above events are to be held from September onwards, the proposed funding for these projects is still being finalised.

On the other hand, through the CreateSmart Initiative, we have supported the local design sector’s initiative to organise a six-month exhibition in Shanghai during the Shanghai Expo period to showcase Hong Kong’s creative talent and our global influence. In addition to the exhibition, the project also involves holding a number of forums to further promote Hong Kong’s creative industries. This is a good example of the local creative industries making use of the Shanghai Expo to promote and publicise Hong Kong’s creative industries to the Mainland and the world. The approved funding for this project amounts to around \$8.4 million. We will evaluate the effectiveness of these activities after their completion having regard to the number of participants taking part in these activities, the publicity effect achieved, and whether the events have served their intended purposes.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)012**

Question Serial No.

0721

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: It is one of the key work areas of the Bureau to provide support to the long-term development of the film industry of Hong Kong. As regards the promotion of Hong Kong films and new generation film directors to the Mainland and South-east Asian markets, what are the details of the provisions for the expenditure incurred and the work plans concerned?

Asked by: Hon. IP Kwok-him

Reply: Since December 2008, the Film Development Council (FDC) is supporting a large-scale project named “Hong Kong Film New Action” (「香港電影New Action」), which aims to revitalise Hong Kong film market in the region, further expand the Mainland market and promote Hong Kong’s new generation film directors (香港的新世代導演).

In May 2009, the FDC led a delegation to the Cannes International Film Festival (康城國際電影節) to promote Hong Kong films and our new generation film directors. The main objectives of the delegation were to help Hong Kong films build its brand in the international market and to expose the local film talent to the international arena. Such activities are conducive to the long-term development of the Hong Kong film industry.

The FDC organised two “Film Cooperation Business Matching Visits” (「電影合作商談會」) to Beijing and Guangzhou in July 2009 and January 2010 respectively to help Hong Kong new generation film directors explore more collaboration opportunities with Mainland film investors. The results of the business matching are encouraging. A successful deal has been concluded for one film project, which is now in the process of production. In addition, more than 10 new generation directors have identified potential investors and negotiation on deals involving over 10 film projects are on-going.

In 2009-10, the effort of the “Hong Kong Film New Action” project has been extended to cover the promotion of “one-stop” post-production services and 3D film production facilities available in Hong Kong. To this end, the FDC will launch a series of promotional activities at FILMART 2010 (「香港國際影視展」) to be held in March 2010, including setting up a promotional booth on “the Making of Hong Kong 3D Movies” (「香港立體電影製作展區」) and organising the “Asia Visual Effects and Digital Film Making Summit 2010 - Emerging Digital Movie Making in Asia” (「亞洲視覺特效及數字後期製作高峰會 - 冒起中的亞洲數字電影」), the “3D Movie Workshop - Production and Post-production” (「3D立體電影拍攝及後期製作工作坊」) as well as the “3D Movie Technology Seminar” (「3D立體電影技術研討會」). Some 4 600 visitors from all over the world will visit FILMART 2010. By showcasing to the world Hong Kong’s 3D film production facilities and achievements, the event aims to attract overseas investors to use the “one-stop” post-production service of Hong Kong



and to build long-term collaboration, thereby promoting Hong Kong as a 3D film production centre in Asia.

About \$4 million will be spent on the “Hong Kong Film New Action” project in 2009-10.

Major events under planning to further promote Hong Kong films and our new generation film director in 2010-11 include:

- (a) a film festival tentatively entitled “Classic Hong Kong Films Retrospective” (香港經典電影回顧展) to be held in Guangzhou in May 2010. The purpose is to expose the Cantonese-speaking audience to the charm of Hong Kong films in their original version for the first time;
- (b) a film festival to be held during the Hong Kong Week of Shanghai Expo from 18 to 22 October 2010 in Shanghai in parallel with a business matching programme for the Hong Kong new generation film directors under the banner of the “Hong Kong Film New Action” initiative; and a Gala Premiere of a major film produced by Hong Kong filmmaker; and
- (c) a multi-media show tentatively entitled “The Legend of Hong Kong Action Films” (香港動作電影傳奇) to be held near the Avenue of Stars in Tsim Sha Tsui, Kowloon during Entertainment Expo 2011 in March 2011. It will feature the unique martial arts and action choreography so often a feature in Hong Kong movies.

We are still working on the detailed budgets for these three major promotional events, which will be in the region of \$5 million.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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

**CEDB(CT)013**

Question Serial No.

0723

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Bureau has emphasised to continue to develop Hong Kong's position in creativity and innovation in the region and promote Hong Kong as "Asia's creative capital". What is the specific work in 2010-11? What is the specific breakdown of expenditures of the project?

Asked by: Hon. IP Kwok-him

Reply: The Create Hong Kong (CreateHK) was established in June 2009 to spearhead the Government's efforts to drive the development of creative industries in Hong Kong. The work of CreateHK in promoting creative industries development follows the seven-pronged strategy we announced after consultation with the industries and the Legislative Council, namely:

- (a) nurturing a pool of creative capital;
- (b) facilitating start-ups and development of creative establishments;
- (c) generating demand for creativity and expanding local market size;
- (d) promoting creative industries in the Mainland and overseas;
- (e) fostering a creative atmosphere within the community;
- (f) developing creative clusters; and
- (g) promoting Hong Kong as Asia's creative hub.

Subsequent to the establishment of the CreateHK, the office has been working closely with the creative industries in devising projects conducive to promoting the development of the industries as well as in line with the above-mentioned strategy. For example, we collaborated with the local advertising sector to introduce trainee and internship programmes to help train new blood for the sector. We have also supported the organisation of the "Make a Difference" (MaD) forum, a regional event debut in January 2010 to encourage our younger generation to be creative and innovative.

Besides the above collaborative projects, the CreateHK supports incubation programmes to help creative start-ups by offering affordable office space, training on business skills as well as business matching activities. These incubation programmes include the Cyberport Digital Entertainment Incubation and Training ("IncuTrain") Programme set up for the digital entertainment industry, as well as the InnoCentre incubation programme which aims at nurturing design start-ups.

In the 2010-11 financial year, we will continue to work with the creative industries and our strategic partners on collaborative projects which aim at further promoting development of creative industries, as well as promoting the community and the industries to make good use of the funding schemes for the benefit of the industries, i.e. the \$320 million Film Development Fund, the \$250 million DesignSmart Initiative and the \$300 million CreateSmart Initiative. We will also continue to support the organisation of flagship events in the territory to promote Hong Kong as Asia's creative capital.

In addition, we will proceed with the revitalisation of the former Police Married Quarters at Hollywood Road for creative industries uses. We will announce the arrangements for inviting revitalisation proposals very soon, with a view to developing the site into a new focus for creative industries in Hong Kong.

For 2010-11, the estimate for CreateHK is about \$220.2 million, including \$47.9 million for personal emolument and departmental expense and \$172.3 million for the various funding schemes administered by the office.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: What are the details of the promotional project “Hong Kong Film New Action” in 2009-10?  
What is the expenditure involved and how effective is the project?

Asked by: Hon. IP LAU Suk-ye, Regina

Reply: Since December 2008, the Film Development Council (FDC) is supporting a project named “Hong Kong Film New Action” with a view to revitalise Hong Kong’s film market in the region, further expand the Mainland market and promote Hong Kong’s new generation film directors in the international arena.

In May 2009, the FDC led a delegation to the Cannes International Film Festival to promote Hong Kong films and our new generation film directors. The main objectives of the delegation were to help Hong Kong films build their brand in the international market and to expose local film talent to the international arena. Such activities are conducive to the long-term development of the Hong Kong film industry.

The FDC organised two “Film Cooperation Business Matching Visits” to Beijing and Guangzhou in July 2009 and January 2010 respectively to help Hong Kong new generation film directors explore more collaboration opportunities with Mainland film investors. The results of the business matching are encouraging. A successful deal has been concluded for one film project, which is now in the process of production. In addition, more than 10 new generation directors have identified potential investors and negotiation on deals involving 10 film projects is ongoing.

In 2009-10, the scope of the “Hong Kong Film New Action” project has been extended to cover the promotion of “one-stop” post-production services and 3D film production facilities available in Hong Kong. To this end, the FDC will launch a series of promotional activities at FILMART 2010 to be held in March 2010, including setting up a promotional booth on “the Making of Hong Kong 3D Movies” and organising the “Asia Visual Effects and Digital Film Making Summit 2010 - Emerging Digital Movie Making in Asia”, the “3D Movie Workshop - Production and Post-production” as well as the “3D Movie Technology Seminar”. Some 4 600 visitors from all over the world will visit the FILMART 2010. By showcasing to the world Hong Kong’s 3D film production facilities and achievements, the event aims to attract overseas investors to use the “one-stop” post-production service of Hong Kong and to build long-term collaboration, thereby promoting Hong Kong as a 3D film production centre in Asia.

About \$4 million will be spent on the “Hong Kong Film New Action” project in 2009-10.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)015**

Question Serial No.

1246

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2009-10, the Communications and Technology Branch promoted the use of design, in collaboration with the Hong Kong Design Centre (HKDC), to help Hong Kong's industries move up the value chain. What are the specific measures and how effective are they?

Asked by: Hon. IP LAU Suk-ye, Regina

Reply: In 2009-10, the HKDC held a wide variety of programmes comprising design-related seminars, exhibitions, conferences, workshops, forums, publications, awards and others. Some of its major achievements, large-scale projects as well as examples of its work along the themes of design for designers, design for business and public sectors, and design for the public are -

- (a) Every year HKDC holds two flagship events. One is the "Business of Design Week" (BODW) and the other is "Reinventing with Design" (ReD). As a platform for world renowned designers, CEOs, businessmen, manufacturers to share experience and knowledge in design, innovation and brand, BODW 2009 was held from 30 November to 5 December 2009 with more than 10 programmes, 85 international speakers and over 50 000 participants. France was the partner country. The HKDC Awards 2009, with four different award categories, were presented at the Gala Dinner of BODW 2009, celebrating design excellence for both exemplary models and young creative talents.

ReD 2009 was held in mid-June 2009, attracting some 260 participants for conferences and forums, and some 400 to participate in a series of workshops on different themes in design. This week-long educational programme helped the participants enhance their professional knowledge and skills, creativity and innovation.

- (b) To promote the awareness of the community in design, HKDC worked with RTHK to produce TV documentaries in design. A TV series of eight episodes was produced in 2009 featuring eight design cities in the world to broaden the perspective of the community in the use of design.
- (c) HKDC also works as a resource centre through operating the HKDC Library and the Hong Kong Design Directory. The HKDC Library, located at InnoCentre, provides books, magazines and other relevant materials related to all design disciplines for reference by designers and the industries. The Hong Kong Design Directory is an on-line database of local designers and design companies. It serves as a user-friendly search engine for Hong Kong design service users. As of December 2009, the cumulative number of companies registered went up to over 1 800.
- (d) Various smaller-scale activities have also been organised for –

- (i) designers,
- (ii) business and public sectors, and
- (iii) the public.

Some examples under each theme are -

- (i) An overseas Master Class in Shoes and Accessories Design held in July 2009 helped participating designers augment their standard of design in shoes and accessories. Through a lecture series held in September and October 2009, some 270 participants shared the experience of experts in various design fields on how design influenced our daily life. Community-wide design awareness and appreciation was promoted through two series of four Saturday outreach programme during which the participants visited studios/showrooms of designers and were involved in the process of design.
- (ii) From June to September 2009, a seven-module Certificate Programme on Design and Creative Entrepreneurship Business was attended by 30 participants who learnt the nuts and bolts of a successful entrepreneurial business so as to better develop and grow their design and creative business. Helpdesk services are provided to designers and creative SMEs with professional consultancy support in the areas such as intellectual property.
- (iii) In July/August 2009, over 2 000 students, teachers, parents and designers took part in a “Summer Programme on Discover Design” which aimed to arouse students’ interest and inspire them to get prepared for further studies or career in design. In the 3rd quarter 2009-10, five secondary schools participated in a “Learning Design Thru Monster” project whereby the students’ creative thinking and problem-solving skills were promoted. Public exhibitions were also held to raise the general public’s awareness and appreciation of design. The one titled “Antoine+Manuel Graphic Village Exhibition” held from late November to mid-December 2009 recorded an attendance of 10 846 visitors.

Every year HKDC submits a progress report to the Legislative Council setting out its work in promoting design during the reporting year. A more comprehensive list of activities conducted will be provided in the report to be submitted to the Legislative Council Panel on Information, Technology and Broadcasting in May.

Name in block letters	D.W. Pescod
Post Title	Permanent Secretary for Commerce and Economic Development (Communications and Technology)
Date	16.3.2010

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

**CEDB(CT)016**

Question Serial No.

1247

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2010-11, the Administration will work on a self-regulation scheme for person-to-person (P to P) telemarketing calls with the industry. When and how will the Administration review the effectiveness of the scheme?

Asked by: Hon. IP LAU Suk-ye, Regina

Reply: The Office of the Telecommunications Authority has circulated a draft Code of Practice (CoP) for industries' voluntary adoption to associations of the main industries engaged in P to P telemarketing calls, namely telecommunications, call centres, finance and insurance. The CoP sets out the requirement for, among other things, displaying the calling number, maintaining an in-house do-not-call list and honouring unsubscribe requests from called parties. We understand some members of the industries plan to adopt the CoP by the second quarter of 2010.

We will review the effectiveness of the CoP when the relevant industries have adopted it for a year, with a view to allowing sufficient time for the industries to implement the CoP and obtain reasonable implementation experience. In the review, we will examine a range of factors including the extent of adoption of the CoP by the industries engaged in P to P telemarketing calls, the number of complaints received and settled satisfactorily, and the updated view of the public and the relevant industries on such calls.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010



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

**CEDB(CT)017**

Question Serial No.

1411

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2010-11, what are the specific measures for “continuing to develop Hong Kong’s position in creativity and innovation in the region and promote Hong Kong as Asia’s creative capital?” What is the expenditure involved? How will the effectiveness be assessed?

Asked by: Hon. IP LAU Suk-ye, Regina

Reply: The Create Hong Kong (CreateHK) was established in June 2009 to spearhead the Government’s efforts to drive the development of creative industries in Hong Kong. The work of CreateHK in promoting creative industries development follows the seven-pronged strategy we announced after consultation with the industries and the Legislative Council, namely:

- (a) nurturing a pool of creative capital;
- (b) facilitating start-ups and development of creative establishments;
- (c) generating demand for creativity and expanding local market size;
- (d) promoting creative industries in the Mainland and overseas;
- (e) fostering a creative atmosphere within the community;
- (f) developing creative clusters; and
- (g) promoting Hong Kong as Asia’s creative hub.

Subsequent to the establishment of the CreateHK, the office has been working closely with the creative industries in devising projects conducive to promoting development of the industries as well as in line with the above-mentioned strategy. For example, we collaborated with the local advertising sector to introduce trainee and internship programmes to help train new blood for the sector. We have also supported the organisation of the “Make a Difference” (MaD) forum, a regional event debut in January 2010 to encourage our younger generation to be creative and innovative.

Besides the above collaborative projects, the CreateHK supports incubation programmes to help creative start-ups by offering affordable office space, training on business skills as well as business matching activities. These incubation programmes include the Cyberport Digital Entertainment Incubation and Training (“IncuTrain”) Programme set up for the digital entertainment industry, as well as the InnoCentre incubation programme which aims at nurturing design start-ups.

In the 2010-11 financial year, we will continue to work with the creative industries and our strategic partners on collaborative projects which aim at further promoting development of creative industries, as well as promoting the community and the industries to make good use of the funding schemes for the benefit of the industries, i.e. the \$320 million Film Development Fund, the \$250 million DesignSmart Initiative and the \$300 million CreateSmart Initiative. We will also continue to support the organisation of flagship events in the territory to promote Hong Kong as Asia's creative capital.

In addition, we will proceed with the revitalisation of the former Police Married Quarters at Hollywood Road for creative industries uses. We will announce the arrangements of inviting revitalisation proposals very soon, with a view to developing the site into a new focus for creative industries in Hong Kong.

We have been obtaining the feedback from the industries as well as from our collaborating and strategic partners in respect of the effectiveness of the initiatives set out above. We will continue to work with our partners and collaborating parties in assessing the effectiveness of the various initiatives under the auspice of CreateHK. We will also conduct review of the funding schemes under the office from time to time so as to ensure that the schemes are running smoothly and effectively and are serving their intended purposes.

For 2010-11, the estimate for CreateHK is about \$220.2 million, including \$47.9 million for personal emolument and departmental expense and \$172.3 million for the various funding schemes administered by the office.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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

**CEDB(CT)018**

Question Serial No.

0677

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Under the Programme of “Broadcasting, Film Services and Creative Industries” of the Commerce and Economic Development Bureau (Communications and Technology Branch), the provision for 2010-11 is \$54.6 million (25.5%) higher than the revised estimate for 2009-10 partly due to the net increase of 7 posts. What are the work areas of such posts and the respective expenditures involved?

Asked by: Hon. LAM Tai-fai

Reply: In 2010-11, we plan to create 7 new posts, comprising 1 Senior Executive Officer (SEO), 1 Trade Officer (TO), 4 Assistant Trade Officer II (ATO II) and 1 Executive Officer II (EO II) posts, to cope with the demands arising from the establishment of the dedicated agency of Create Hong Kong (CreateHK) under the Communications and Technology Branch (CTB) in June 2009. Of these 7 posts, the SEO, TO and 4 ATO II posts will be created to perform office administration and funding scheme management duties in CreateHK, and the EO II post will be created to perform personnel and appointment duties in CTB. The TO and 4 ATO II posts will be created by internal redeployment of manpower resources within the Commerce and Economic Development Bureau. In addition, we will create 1 Assistant Clerical Officer post, to be offset by deletion of 1 Personal Secretary II post. The salary provision required in 2010-11 is around \$2.9 million.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)019**

Question Serial No.

2591

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: As stipulated by the Government, the broadcasting policy objectives include (1) to encourage investment, innovation and technology transfer in the broadcasting industry; and (2) to ensure fair and effective competition in the provision of broadcasting services. In this connection, please list by category the specific work carried out by the Communications and Technology Branch in fulfilling the said broadcasting policy objectives in 2009-10. (Please list the work by television broadcasting and by radio broadcasting).

Asked by: Hon. LEE Wing-tat

Reply: In relation to the policy objective to encourage investment, innovation and technology transfer in the broadcasting industry, the Government announced in February 2010 the invitation of applications for sound broadcasting licences for the provision of digital audio broadcasting service as well as the bidding for spectrum through an auction for the provision of broadcast-type mobile television service. As the policy bureau overseeing the development of these new services, the Communications and Technology Branch, Commerce and Economic Development Bureau (CTB/CEDB) will continue to monitor their implementation in 2010-11.

On the rollout of digital terrestrial television (DTT), the Government has been working closely with the two domestic free television programme service licensees, Asia Television Limited (ATV) and Television Broadcasts Limited (TVB), to expand the coverage of DTT. In 2009, five fill-in stations were completed, extending the coverage of DTT to about 85% of the population across 18 districts. CTB/CEDB will continue to work with ATV and TVB to further expand the DTT network and conduct related publicity work.

In relation to the policy objective to ensure fair and effective competition in the provision of broadcasting services, the Broadcasting Authority (BA) is responsible for handling competition-related complaints of the broadcasting industry in accordance with the relevant statutory provisions and established procedures. In 2009-2010, the BA processed competition complaints about alleged anti-competitive conduct engaged in by a domestic free television programme service licensee concerning, among others, artiste management practices. CTB/CEDB will continue to keep in view the operating environment of the broadcasting industry to ensure a level-playing field for the operators concerned.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)020**

Question Serial No.

3151

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide the expenditure estimate and details in respect of “overseeing the preparatory and planning work for the new Radio Television Hong Kong (RTHK) to fulfill its mission as a public broadcaster” in 2010-11.

Asked by: Hon. LEE Wing-tat

Reply: The Government launched a 3-month public consultation exercise on the “New RTHK: Fulfilling its Mission as a Public Service Broadcaster” (香港電臺:履行公共廣播機構的新使命) which ended in January this year. We are now collating the views received and compiling a consultation report. We will brief the Legislative Council Panel on Information Technology and Broadcasting after finalising the consultation report. We will take into account all views received in mapping out the way forward.

RTHK has been making preparation for implementing the initiatives relating to its new mission as a public service broadcaster. These include the re-provisioning of the Broadcasting House (廣播大廈), provision of digital terrestrial television (數碼地面電視廣播) and digital audio broadcasting (數碼聲音廣播) services, and supporting community participation in broadcasting. RTHK will seek to roll out the new services as soon as possible. No additional resources have been deployed for this exercise.

We are working with RTHK to identify the manpower and other resources necessary for the roll-out of the new services and the expenditure estimates. We will seek the funding approval of the Legislative Council where appropriate.

Name in block letters D.W. Pescod  
Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)  
Date 16.3.2010

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

**CEDB(CT)021**

Question Serial No.

3152

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide the work details in respect of “working with the industry on a self-regulation scheme for person-to-person telemarketing calls” in 2009-10.

Asked by: Hon. LEE Wing-tat

Reply: The Office of the Telecommunications Authority has circulated a draft Code of Practice (CoP) for industries' voluntary adoption to associations of the main industries engaged in person to person telemarketing calls, namely telecommunications, call centres, finance and insurance. The CoP sets out the requirement for, among other things, displaying the calling number, maintaining an in-house do-not-call list and honouring unsubscribe requests from called parties. We understand some members of the industries plan to adopt the CoP by the second quarter of 2010.

We will review the effectiveness of the CoP when the relevant industries have adopted it for a year, with a view to allowing sufficient time for the industries to implement the CoP and obtain reasonable implementation experience.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)022**

Question Serial No.

3040

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Will the Bureau allocate resources in 2010-11 for conducting studies on the development and use of digital audio broadcasting so as to increase the capacity of the airwaves in Hong Kong for provision of more sound channels? If so, what are the work plan and expenditure estimate? If not, what are the reasons?

Asked by: Hon. NG Margaret

Reply: In February 2010, the Government announced that a Band III multiplex would be allocated for the development of digital audio broadcasting (DAB), and invited applications for sound broadcasting licence for the provision of the new service. We will monitor the response closely and, if necessary, consider whether more spectrum resources should be allocated for the provision of DAB services. Such monitoring and analysis work will be met from within the existing resources of the Commerce and Economic Development Bureau and does not incur additional expenditure. There is also no intention to conduct any further study on DAB in 2010-11.

Name in block letters D.W. Pescod

Permanent Secretary for Commerce  
and Economic Development  
Post Title (Communications and Technology)

Date 16.3.2010



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

**CEDB(CT)023**

Question Serial No.

3041

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: At present, at least two broadcasters intend to apply to the Government for a free television licence. Will the Bureau consider allocating more resources in 2010-11 to expedite the approval procedures of licence applications so that more participants can enter the free television market in Hong Kong and enhance the quality of the television programmes through competition? If so, what are the details and expenditure estimate? If not, what are the reasons?

Asked by: Hon. NG Margaret

Reply: The Government does not set a limit on the total number of free television licensees. As at early March 2010, the Broadcasting Authority (BA) has received two applications for domestic free television programme services licence and is processing the applications in accordance with the Broadcasting Ordinance and established procedures. A reasonable time has to be allowed for the processing of the applications, including submission of adequate information by applicants, public consultation exercise, etc. After studying the applications in accordance with the established procedures, the BA will submit its recommendations to the Chief Executive in Council. The Chief Executive in Council will decide whether or not to grant the licence applications, taking into account the BA's advice. The BA has the necessary resources to process the applications received. We will monitor the situation and ensure that the BA has sufficient resources and support to discharge its functions effectively.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)024**

Question Serial No.

3042

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Despite the fact that a film invested by the Film Development Fund (FDF) has won an award in a major film festival overseas recently, many film makers still consider it rather difficult and time-consuming in applying for the funding support of the FDF. Will the Bureau consider allocating resources in 2010-11 to review the operation and approval criteria for funding of the FDF? If so, what are the work plan and expenditure estimate? If not, what are the reasons?

Asked by: Hon. NG Margaret

Reply: At its meeting on 6 July 2007, the Finance Committee of the Legislative Council approved the Government's proposal to inject \$300 million into the FDF with an expanded scope to provide financial support for the production of small-to-medium budget films, and to continue to finance projects which are beneficial to the long-term and healthy development of the film industry. The funding support from the Government for film production aims to encourage more commercial investment in film productions, create a larger mass of film activities, more employment opportunities, and assist the film industry to revitalise and develop further. In 2009, there were over 70 films (including Hong Kong-Mainland co-productions) produced, representing an increase of 30% as compared with 54 films in 2008. There is a clear sign of revival of the local film industry since the expansion of the funding scope of the scheme. From October 2007 (when the FDF started to receive applications for financing film productions) to 1 March 2010, a total of 14 applications have been approved at a total amount of \$38.77 million.

Of the 14 approved film productions, there are six new directors and five new producers directing or producing commercial films for the first time. Ten of the approved films were by small-scale film production companies. This shows that the FDF has been successful in helping the industry to train new blood as well as providing financial assistance to small-scale film production companies, thereby creating a larger mass of film activities in the local film industry. An FDF-supported film, titled "Echoes of the Rainbow" (歲月神偷), also recently won the Best Film in the children's section of the Generation Competition in the 60<sup>th</sup> Berlin International Film Festival (第 60 屆柏林影展水晶熊獎「新世代」最佳影片).

Nevertheless, in order to improve the FDF scheme to better suit the needs of the film industry, we conducted a review of the scheme from March to June 2009. A working group, consisting of industry members, was formed to collect and assess feedback from the industry. The review covered issues including the user-friendliness of the application forms, the terms and conditions of Government's funding for film productions, and the effectiveness of the FDF in promoting the long-term, sustainable development of the industry. During the review, we held a number of consultation sessions with the stakeholders including the Panel of Examiners, applicants and various film associations and trade organisations. Based on the feedback received, we submitted the review findings to the Film Development Council (FDC) for consideration in August 2009. After considering the review findings, the FDC recommended that the operation of the scheme should be improved in the following respects:

- (i) to raise the upper limit of the production budget of a film project supported by the FDF from \$12 million to \$15 million;
- (ii) to raise the upper limit of Government's contribution per approved film project from 30% to 40%; and
- (iii) to remove the 10 years' time-limit for relevant film-making experience in respect of the applicant, the film director or producer.

The film industry considers, and the Government agrees, that the proposed improvements will better meet the needs of the industry and are in line with the objectives of the FDF. We will also improve the layout of the application forms, provide bilingual texts for all contract documents and samples, and arrange briefing sessions and seminars for film practitioners to explain to them the relevant application rules and procedures. To tie in with the pace of film production in Hong Kong, the FDC has pledged that the processing of a duly submitted funding application will be completed within one month from the date of receipt.

The proposed improvement measures were supported by the Panel on Information Technology and Broadcasting of the Legislative Council on 14 December 2009, and will be implemented with effect from the first quarter of 2010. Since the Administration has just completed a review of the FDF recently, we have no plan to review the scheme again in the near future.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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

**CEDB(CT)025**

Question Serial No.

3043

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: The creative industries are among the six industries in which Hong Kong has an edge as identified by the SAR Government. Will the Bureau allocate resources to the various policy areas under the relevant Programme in 2010-11 to conduct policy research studies in formulating more specific and feasible policies for promoting the development of creative industries? If so, what are the nature of the research studies, work plan and expenditure estimate? If not, what are the reasons?

Asked by: Hon. NG Margaret

Reply: In the 2010-11 financial year, we will set up an advisory group comprising key personalities in the creative industries and from academia to advise on what policy research projects should be conducted to help drive the development of creative industries in Hong Kong, as well as to monitor the progress of these research projects. The funding involved in conducting these research projects will need to be worked out subject to the advice of the group. Funding will be provided on application and subject to normal vetting through the \$300 million CreateSmart Initiative.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)026**

Question Serial No.

2728

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: With respect to the measures to be implemented to improve the operation of the Film Development Fund (FDF):

- (a) What are the details of such measures?
- (b) Please list the numbers of applications received and approved and the amounts of funds disbursed each year since the establishment of the FDF.
- (c) How will the effectiveness of the FDF be evaluated?
- (d) Will the Administration consider streamlining the procedures for application so that more projects can be funded?

Asked by: Hon. PAN Pey-chyou

Reply: The Government conducted a review of the FDF from March to June 2009. A working group, consisting of industry members, was formed to collect and assess feedback from the film industry. The review covered issues including the user-friendliness of the application forms, the terms and conditions of Government's funding for film productions, and the effectiveness of the FDF in promoting the long-term, sustainable development of the industry.

During the review, we held a number of consultation sessions with the stakeholders including the Panel of Examiners (業界顧問團), applicants and various film associations and trade organisations. Based on the feedback received, we submitted the review findings to the Film Development Council (FDC) for consideration. After considering the review findings, the FDC recommended that the operation of the Scheme should be improved in the following aspects:

- (i) to raise the upper limit of the production budget of a film project supported by the FDF from \$12 million to \$15 million;
- (ii) to raise the upper limit of Government's contribution per approved film project from 30% to 40%; and
- (iii) to remove the 10 years' time-limit for relevant film-making experience in respect of the applicant, the film director or producer.

The film industry considers, and the Government agrees, that the proposed improvements will better meet the needs of the industry and are in line with the objectives of the FDF. We will also improve the layout of the application forms, provide bilingual texts for all contract documents and samples, and arrange briefing sessions and seminars for film practitioners to explain to them

the relevant application rules and procedures. To tie in with the pace of film production in Hong Kong, the FDC has pledged that the processing of a duly submitted funding application will be completed within one month from the date of receipt.

The proposed improvement measures were supported by the Panel on Information Technology and Broadcasting of the Legislative Council, and will be implemented with effect from the first quarter of 2010.

The number of applications for financing film productions received and approved, and the amount of approved funding under the FDF each year since its establishment are listed below:

Financial Year	No. of Applications Received	No. of Applications Approved	Amount of Funding Approved HKD
2007-08	6	2	5,217,055
2008-09	12	9	24,726,407
2009-10	5	3	8,833,500
Total	23	14	<b>38,776,962</b>

The effectiveness of the FDF is measured by the extent to which the Fund has contributed towards the development of the local film industry. In this regard, we would evaluate the various deliverables of the films supported by the Fund, including the impact on the number and categories of local films produced, the film talent nurtured, awards received by these films, etc.

Name in block letters D.W. Pescod  
Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)  
Date 16.3.2010

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

**CEDB(CT)027**

Question Serial No.

2628

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: As mentioned in paragraph 65 of the 2010-11 Budget speech, the Academy of Film has recently been established and various design and creative media programmes will be launched at the end of this year by the Hong Kong Campus of the Savannah College of Art and Design (SCAD). In this connection: will the Government provide the expected number of school places for first year admission of these institutions? Will the Government consider providing additional support in nurturing talents for the design and creative industry in view of Government's aim to develop a well-trained and adaptable workforce to meet the changing manpower demands of the economy?

Asked by: Hon. SHEK Lai-him, Abraham

Reply: The Hong Kong Baptist University Academy of Film offers five Professional Higher Diploma programmes to cater for young people aspiring to develop a career in the film and television creative media field. These programs include script writing and directing, film production management, production techniques, digital media, and acting for film and television. As this is the first year of the Academy's operation, the planned admission is 65. The admission figure will gradually increase to 120 and when in full operation, the Academy will turn out about 120 graduates each year who would have acquired the theoretical framework and the technical skills required by the industry.

The SCAD will offer 14 courses at tertiary and postgraduate levels. These courses cover different aspects of the creative industries, including advertising, animation, graphic design, interactive design, photography, visual effects, etc. It is SCAD's plan to admit 300 students in their first year of operation, and ultimately it will offer 1 500 student places for the above courses.

Nurturing creative talent who form the backbone to drive the development of creative industries is one of the seven strategic development directions as promulgated by the Create Hong Kong. Under this strategy, we have launched a variety of projects such as introducing film and animation elements in secondary school curriculum (we will shortly add elements of architecture and design to the curriculum as well), assisting the industries to roll out training and internship programmes, etc. We will continue to work with the industries as well as the academic institutions to offer more opportunities for creative education and training in Hong Kong so as to meet the demand for the development of the creative economy.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010



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

**CEDB(CT)028**

Question Serial No.

0662

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: A pilot programme for a Customer Complaint Settlement Scheme (CCSS) had been implemented in 2008 to resolve disputes between service users and service providers. In this regard, will the Administration inform the Committee of the following:

- (a) How many telecommunications service operators have participated in the pilot programme since its implementation? How many cases have been received in the meantime and how are they followed up?
- (b) When will the Administration conduct a comprehensive review of the initiative and what is the schedule? Have the Administration discussed with the industry players on the feasibility of formulating a long-term scheme to help resolve service users' complaints? If so, what are the details? If not, what are the reasons?
- (c) What will be the expenditure and manpower involved for the pilot programme in 2010-11?
- (d) A voluntary code of practice had been issued to regulate the service contracts in the telecommunications sector. What is the progress of the initiative? If the voluntary code of practice fails to effect regulation effectively, are there any further measures to protect the interests of the consumers?

Asked by: Hon.TAM Wai-ho, Samson

- Reply:
- (a) Three operators participated in the pilot programme of the CCSS. The pilot programme handled a total of 18 cases, of which 6 have been resolved during the mediation stage, 9 adjudicated and completed, while 3 others are still awaiting the final decisions of the adjudicators. Among the 9 adjudicated cases, the adjudicators have ruled in favour of the operator and the customer in 4 and 3 cases respectively, and reached findings that both parties have to bear some responsibilities in 2 cases.
  - (b) The Office of the Telecommunications Authority (OFTA) is reviewing the pilot programme. In the next few months, OFTA will formulate a proposal on the medium to long term arrangement for the CCSS and discuss with the industry. We aim to roll out the medium to long term plan, if possible, in the second half of 2010.
  - (c) The pilot scheme ended at the end of February 2010. As such, no expenditure or manpower would be incurred by the pilot scheme in 2010-2011. Since the pilot scheme is now undergoing a comprehensive review and the details of the medium to long term plan have yet to be worked out, we are not in a position to estimate its resource implications at this point in time.

- (d) The Code of Practice on Communications Service Contracts (the CoP) was published on 2 February 2010 for voluntary compliance by providers of communications services. It provides the industry with a guideline for drawing up service contracts. Communications service providers are considering whether to pledge compliance with the CoP. We will closely monitor the effectiveness of the CoP. If the number of complaints about contractual disputes remains high, we will consider whether other more stringent measures should be adopted.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)029**

Question Serial No.

0663

Head: 55 – Government Secretariat : Subhead 700  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme:

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Under this Subhead, the revised estimate for 2009-10 for *General non-recurrent* is \$109,549,000 (page 344) while the revised estimated expenditure for 2009-10 for *General non-recurrent* under Commitments is \$126,197,000 (page 346). Why is there a discrepancy between the two figures? Please give the reasons.

Asked by: Hon. TAM Wai-ho, Samson

Reply: The revised estimate of \$109,549,000 for *General non-recurrent* for 2009-10 on page 344 of the Estimates for the year ending 31 March 2011 Volume 1A – General Revenue Account (the Estimates) excludes relevant provisions in respect of the period from 1 April 2009 to 31 May 2009 for digital entertainment, design and film services which have been transferred from Head 47 - Government Secretariat: Office of the Government Chief Information Officer, Head 155 - Government Secretariat: Innovation and Technology Commission and Head 180 - Television and Entertainment Licensing Authority respectively for the establishment of the Create Hong Kong office that took effect on 1 June 2009. These provisions are, however, included in the revised estimated expenditure of \$126,197,000 for *General non-recurrent* for 2009-10 under Commitments on page 346 of the Estimates.

Name in block letters D.W. Pescod  
Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)  
Date 16.3.2010

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

**CEDB(CT)030**

Question Serial No.

0664

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Introduced under Create Hong Kong, the CreateSmart Initiative (CSI) provides financial support to the projects of creative industries in Hong Kong. Please inform the Committee of the following:

- (a) How many projects have been subsidised since the implementation of the scheme? What are the lowest and highest amounts of funding? Has the Administration assessed the effectiveness of the scheme so far? If so, what are the assessment results? If not, why?
- (b) In 2010-11, how much funds will be granted under the scheme?
- (c) Does the Administration prepare for a review of the ambit for funding under the scheme, say, whether independent television programmes production or online games will be covered? If so, what are the details? If not, why?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) Since the launch of the CSI in June 2009, a total of 20 projects with total funding amounting to \$39.7 million have been approved under the scheme. The approved funding amount for these projects ranges from \$0.21 million to \$8.4 million. The funding varies in accordance with the scope, scale and nature of the various projects and the amount of funding requested by the applicants, as well as the CSI Vetting Committee's recommendations after examining the merits of individual projects. We will conduct a review of the CSI from time to time so as to ensure that the scheme is running smoothly and effectively and is serving its intended purposes.
  - (b) Release of funds under the CSI in the upcoming financial year will depend on the number of applications received and the individual merits of the applications. However, we anticipate that more CSI applications would be received and approved in the coming year as a result of the increase in awareness amongst the creative industries and the community.
  - (c) The current ambit of the CSI allows for the funding of projects with objectives that are in line with our strategic direction to drive the development of the creative industries in Hong Kong, namely -
    - (i) nurturing a pool of creative human capital which will form the backbone of our creative economy;
    - (ii) facilitating start-ups and development of creative establishments;

- (iii) generating demand for innovation and creativity and expanding local market size for creative industries;
- (iv) promoting creative industries on the Mainland and overseas to help explore outside markets;
- (v) fostering a creative atmosphere within the community;
- (vi) developing creative clusters in the territory to generate synergy and facilitate exchanges; and
- (vii) promoting Hong Kong as Asia's creative hub.

We will consider projects which are non-profit making in nature, and where the results to be achieved are beneficial to the development of any particular creative sector or the creative industries as a whole. Benefits accruing from the projects must serve the interests of individual creative industry sectors or the entire creative industries, and not just benefit an individual private company or a consortium of private companies. We will review the operation of the CSI from time to time and in due course to examine whether a revision of the scheme's ambit and coverage as well as its operations is necessary.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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

**CEDB(CT)031**

Question Serial No.

0865

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: It is noted that measures will be implemented to improve the operation of the Film Development Fund (FDF). Please inform the Committee of the following:

- (a) Which are the most successful cases since the operation of the FDF and what are the reasons for their success? Which are the most unsuccessful cases and what are the reasons for their failure?
- (b) Does the Administration prepare to make reference to the operation pattern and experience of the FDF to provide funding to other sectors in the creative industries? If so, what are the details? If not, what are the reasons?
- (c) Will the Administration prepare for a review of the ambit for funding under the FDF, say, whether independent short films will be covered? If so, what are the details? If not, what are the reasons?

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) Since the injection of \$300 million into the Film Development Fund (FDF) in July 2007 to expand its scope to provide financial support for the production of small-to-medium budget films, a total of 14 film production projects have been approved and among them, five have been theatrically released in Hong Kong and/or the Mainland as at 15 March 2010.

The funding support from the Government for film production aims to encourage more commercial investment in film productions, create a larger mass of film activities, more employment opportunities, and assist the film industry to revitalize and develop further. The 14 approved films include six new directors and five new film producers directing or producing commercial films for the first time. On the other hand, ten of the approved films were submitted by small-scale film production companies. This shows that the FDF has been successful in helping the industry to train new blood as well as providing financial assistance to small-scale film production companies for film production, thereby creating a larger mass of film activities for the local film industry. Moreover, one FDF-supported film, titled "Echoes of the Rainbow" (歲月神偷), has recently won the Best Film in the children's section of the Generation Competition in the 60th Berlin International Film Festival (第60屆柏林影展水晶熊獎「新世代」最佳影片). This demonstrates that the FDF has been successful in giving local film talent the opportunity to develop their creativity in making quality film productions, which are capable of winning top international award.

In terms of box office receipt, the result is also encouraging. Among the five films that have been theatrically released, the total box office amounts to about \$117 million<sup>1</sup> whereas the total production budget of these films is \$47.4 million. For example, “McDull Kungfu Ding Ding Dong” (麥兜響噹噹), which is an animation film about the adventure of the popular cartoon character McDull, scored a gross box office receipt of RMB 75 million in the Mainland.

The success of a particular film depends on many factors and not all the films financed under the FDF are expected to achieve good box office result. For example, we have one case (among the five films that have been theatrically released), the box office performance of which was not satisfactory. Nevertheless, as explained in the paragraphs above, we consider that the FDF has been able to achieve its objectives so far.

- (b) Besides the FDF, the Create Hong Kong (CreateHK) also administers the \$250 million DesignSmart Initiative (DSI) and the \$300 million CreateSmart Initiative (CSI) to provide funding support to creative industries. The DSI was launched in 2004 to fund design-related activities and infrastructure. To strengthen the Government’s support to the development of creative industries, we launched the \$300 million CSI in June last year to fund projects conducive to the development of creative industries in Hong Kong with objectives that are in line with our strategic directions. The response has been positive since the launch of the CSI.

We will review the operation of the funding schemes under CreateHK from time to time to ensure that the schemes are running smoothly and effectively, and to examine whether a revision of these schemes’ ambit and coverage as well as their operations is necessary.

- (c) The FDF is a scheme set up to encourage Hong Kong filmmakers to produce small-to-medium budget feature length films (i.e. films of no less than 80 minutes in screening length) that would be released in cinema houses. Filmmakers, including makers of independent short films, are eligible to apply to the FDF for funding as long as the film is of feature length and it is targeted for cinema release in Hong Kong. Such broad requirements should not pose a barrier for any applicant wishing to develop short films into feature length films. There are many examples of feature length films which are a compilation of short films with a common theme.

We conducted a comprehensive review of the FDF in consultation with the film industry in 2009 and reported its outcome and proposed improvement measures to the Legislative Council Panel on Information Technology and Broadcasting in December 2009. Since we have just completed the review recently and would implement a series of improvement measures in the first quarter of 2010 as supported by the Legislative Council, we have no plan to review the scheme again in the near future.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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<sup>1</sup> Excluding the box office of “Echoes of the Rainbow”, theatrically released on 11 March 2010, which is not yet available.

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

**CEDB(CT)032**

Question Serial No.

0866

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2009-10, the Communications and Technology Branch oversaw the mid-term review of the two domestic free television programme service licences. In this connection, please inform the Committee of the following:

- (a) What are the results of the review? Is there any follow-up work? If so, what are the details? If not, what are the reasons?
- (b) Will there be any measures formulated to further provide a constructive competition ground for the free-to-air television market in Hong Kong? If so, what are the details? If not, what are the reasons?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) The review period in respect of the mid-term review of the domestic free television programme service licences of Asia Television Limited (ATV) and Television Broadcasts Limited (TVB) came to an end in February 2010. Having regard to the public views received, the Broadcasting Authority (BA) will submit its recommendations for consideration by the Chief Executive in Council (CE in C) on ways to improve the licensees' services for the next six years, i.e. from 2010 to 2015 as early as possible. We will brief the Legislative Council Panel on Information Technology and Broadcasting on the CE in C's decision when it is available.
  - (b) There are provisions on the prohibition of anti-competitive conduct and abuse of dominance under existing Broadcasting Ordinance (BO). The BA is responsible for handling competition-related complaints under the BO. The BA has promulgated two sets of guidelines providing guidance on competition investigation procedures and the application of the competition provisions of the BO. The Government will continue to keep in view the operating environment of free-to-air television services to ensure a level-playing field for the operators concerned.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010



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

**CEDB(CT)033**

Question Serial No.

0867

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2010-11, the Communications and Technology Branch will oversee the preparatory and planning work for the new Radio Television Hong Kong (RTHK) to fulfill its new mission as a public service broadcaster. Please inform the Committee of the following:

- (a) What is the progress of the relevant work? Are there any difficulties encountered during the process? If so, what measures have been taken to cope with the difficulties?
- (b) What are the specific objectives and schedule in implementing the relevant work? How much expenditure will be incurred?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) The Government launched a 3-month public consultation exercise on the “New RTHK: Fulfilling its Mission as a Public Service Broadcaster” (香港電臺:履行公共廣播機構的新使命) which ended in January this year. We are now collating the views received and compiling a consultation report. We will brief the Legislative Council Panel on Information Technology and Broadcasting after finalising the consultation report. We will take into account all views received in mapping out the way forward.
  - (b) The Radio Television Hong Kong (RTHK) has been making preparation for implementing the initiatives relating to its new mission as a public service broadcaster. These include the re-provisioning of the Broadcasting House (廣播大廈), provision of digital terrestrial television (數碼地面電視廣播) and digital audio broadcasting (數碼聲音廣播) services, and supporting community participation in broadcasting. RTHK will seek to roll out the new services as soon as possible. We are working with RTHK to identify the manpower and other resources necessary for the roll-out of the new services and the expenditure estimates. We will seek the funding approval of the Legislative Council where appropriate.

Name in block letters D.W. Pescod

Permanent Secretary for Commerce  
and Economic Development  
Post Title (Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)034**

Question Serial No.

0868

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: It is noted that in 2009-10, the Communications and Technology Branch will follow up on the recommendations of consultancy studies relating to spectrum trading and imposition of spectrum utilisation fees on spectrum released administratively. Please inform the Committee of the following: What are the major recommendations of the consultancy studies? What are the implementation measures? What measures will be implemented this year? What will be the expenditure and manpower involved in these measures?

Asked by: Hon. TAM Wai-ho, Samson

Reply: The Office of the Telecommunications Authority has commissioned two separate consultancy studies on the application of spectrum utilisation fee (SUF) for spectrum assigned administratively and the feasibility of introducing spectrum trading to Hong Kong respectively.

The consultancy study on the former has been completed. The study recommended to introduce a charging scheme of SUF on bands of spectrum which are administratively assigned. Based on the recommendations of the study, the Administration is now formulating the relevant proposals and plans to consult the public and the industry on the schemes within the second quarter of 2010. Depending on the outcome of the consultation and our decision on how to take the proposals forward, subsidiary legislation may need to be enacted. It is unlikely that any charging scheme would be implemented within the financial year of 2010-11.

As regards the consultancy study on spectrum trading, the study is still underway and should be completed by the second quarter of 2010. The Administration will take a decision on the way forward, having regard to the recommendations of the consultancy study. In view of the complexity involved in formulating a trading regime with the necessary regulatory safeguards, it is unlikely that a scheme of spectrum trading could be implemented within the financial year of 2010-11.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)035**

Question Serial No.

0869

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: It is noted that in 2010-11, the Communications and Technology Branch will introduce into the Legislative Council the necessary legislative proposal on the establishment of a unified regulator by merging the Broadcasting Authority and the Telecommunications Authority. Please inform the Committee of the following:

- (a) Are difficulties still exist in this merging? If so, what are the details? If not, why is the merging still not implemented so far?
- (b) Have objectives and schedule formulated for the implementation of merging and completion of legislation? If so, what are the details? If not, what are the reasons? What is the impact on the expenditure and manpower after the merging?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) Establishing the Communications Authority (CA) requires the introduction of an enabling legislation, i.e. the CA Bill. The drafting of the Bill has been more complicated than expected, as it involves the preparation of a number of necessary consequential amendments to the existing BO and TO. More time has been taken than expected to seek legal advice and comments from interested parties. Nevertheless, we are now close to finalising the CA Bill and plan to introduce it into the Legislative Council in the legislative session of 2009-10.
  - (b) We will be able to establish the CA subject to the passage of the CA Bill in the Legislative Council and upon completing the necessary preparatory work afterwards. Taking into account the lead time required for the above tasks, we anticipate that the CA will be set up in the 2011-12 financial year at the earliest. The merger proposal is not anticipated to result in additional staff requirements. The expenditure involved will be met from within existing resources.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)036**

Question Serial No.

0870

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Administration stated that events and activities will be organised during the Expo period in collaboration with the creative industries. What are the specific events and activities? What channels will the industry players have in order to participate? What are the expenditure and manpower involved in such events and activities?

Asked by: Hon. TAM Wai-ho, Samson

Reply: The World Exposition 2010 Shanghai China (“Shanghai Expo”) will be held from May to October this year. We have been working with our creative industries including the comics and animation, fashion, advertising, design and film sectors to organise a series of activities during this period in Shanghai to promote Hong Kong’s creative industries to the visitors of the Shanghai Expo from all over the world. We have adopted the theme of creative industries for the months of September and October 2010, and a range of activities including fashion show, film show, forum on brand building and advertising, comics and animation exhibition, etc are being planned to be held in these two months under the theme. As the above events are to be held from September onwards, the proposed funding of these projects are still being finalised.

On the other hand, we have supported, through the CreateSmart Initiative, a local design sector’s initiative to organise a six-month exhibition in Shanghai during the Shanghai Expo period to showcase Hong Kong’s creative talent and our global influence. In addition to the exhibition, the project also involves holding a number of forums to further promote Hong Kong’s creative industries in Shanghai. This is a good example of the local creative industries making use of the Shanghai Expo to promote and publicise Hong Kong’s creative industries to the Mainland and the world. The approved funding for this project amounts to around \$8.4 million. The manpower resources required for the exhibition are already covered in the estimate.

Name in block letters D.W. Pescod  
Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)  
Date 16.3.2010

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

**CEDB(CT)037**

Question Serial No.

2204

Head: 55 – Government Secretariat : Subhead 000 Operational expenses  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme:

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide the following details of employment agencies hired for provision of services:

- (a) The number of contracts for hiring employment agencies;
- (b) The contract sum and contract period of each employment agency;
- (c) The number of workers supplied by each employment agency and their duties;
- (d) The salaries of the workers supplied by each employment agency and the respective salary ranges of the monthly-rated, daily-rated and hourly-rated workers;
- (e) The relevant figures of items (a) to (d) in the following financial years and the year-on-year percentage change:

	2010-11	2009-10	2008-09	2007-08
Number of employment agencies	( )	( )	( )	( )
Total contract sum of employment agencies	( )	( )	( )	( )
Average contract period of employment agencies	( )	( )	( )	( )
Total number of workers supplied by employment agencies	( )	( )	( )	( )
Salaries of the workers supplied by employment agencies (the highest, median and lowest salaries)	Highest ( )	Highest ( )	Highest ( )	Highest ( )
	Median ( )	Median ( )	Median ( )	Median ( )
	Lowest ( )	Lowest ( )	Lowest ( )	Lowest ( )

*Figures in the ( ) represent the percentage change*

- (f) Percentage of the number of workers supplied by employment agencies as compared to the total number of staff in the Branch; and

- (g) Percentage of the expenditure on employment agency services as compared to the total expenditure of the Branch.

Asked by: Hon. WONG Kwok-hing

- Reply:
- (a) In 2009-10, there are four employment agency contracts in the Branch.
- (b) The contract sums as stated in the employment agency contracts mentioned in (a) above range from \$72,000 to \$434,000 and the contract periods range from 10 to 12 months.
- (c) There are 3 workers supplied by the employment agencies as at 30.9.2009. Two of these workers provide IT support service while the remaining one provides general office support.
- (d) The contracts we enter into with the employment agencies specify the service fee charged by the latter in providing agency workers but not the wages of the agency workers. We are therefore unable to provide the information requested.
- (e) The relevant figures of items (a) to (d) are as follows:

	2010-11 <sup>#</sup>	2009-10	2008-09	2007-08
Number of employment agencies		3 + 1 <sup>^</sup>	1	1
Total contract sum of employment agencies		\$904,000	\$423,000	\$282,000
Average contract period of employment agencies		10.5 months	1 year	1 year
Total number of workers supplied by employment agencies		2+1 <sup>^</sup> (as at 30.9.2009)	2 (as at 31.3.2009)	1 (as at 31.3.2008)
Salaries of the workers supplied by employment agencies (the highest, median and lowest salaries)	Information not available			

# Information not available as the use of agency workers in 2010-11 will be determined by the service needs at that time.

<sup>^</sup> Represents figure for T-contract (i.e. a term contract centrally administered by the Office of the Government Chief Information Officer on supply of IT manpower)

- (f) The number of workers supplied by the employment agencies represents 2.6% of the total number of staff in the Branch as at 30.9.2009.
- (g) In 2009-10, the expenditure on employment agency services is around 0.8% of the revised estimate for the total recurrent expenditure of the Branch.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)038**

Question Serial No.

2205

Head: 55 – Government Secretariat : Subhead 000 Operational expenses  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme:

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide details of temporary staff engaged for provision of service in the following format:

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff engaged	()	()	()	()
Total salary expenses on temporary staff engaged	()	()	()	()
Percentage of temporary staff in the Branch (%)	()	()	()	()

*Figures in the ( ) represent the year-on-year percentage change*

Asked by: Hon. WONG Kwok-hing

Reply: This branch did not engage temporary staff for provision of service from 2007-08 to 2009-10 and has no such plan for 2010-11.

Name in block letters D.W. Pescod

Permanent Secretary for Commerce  
and Economic Development  
Post Title (Communications and Technology)

Date 16.3.2010



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

**CEDB(CT)039**

Question Serial No.

2206

Head: 55 – Government Secretariat : Subhead 000 Operational expenses  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme:

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide details of non-civil service contract staff (NCSC staff) hired for provision of services in the following table:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	( )	( )	( )	( )
Total salary expenses on NCSC staff	( )	( )	( )	( )
Average length of service of NCSC staff	( )	( )	( )	( )
Number of NCSC staff transferred to civil service terms	( )	( )	( )	( )
Number of NCSC staff failed to transferred to civil service terms (if NCSC staff are allowed to do so)	( )	( )	( )	( )
Percentage of NCSC staff in the Branch	( )	( )	( )	( )

*Figures in the ( ) represent the year-on-year percentage change*

Asked by: Hon. WONG Kwok-hing

Reply:

	2010-11#	2009-10 (as at 28.2.2010)	2008-09 (as at 31.3.2009)	2007-08 (as at 31.3.2008)
Number of NCSC staff		15	6	2
Total salary expenses on NCSC staff		\$5,357,000	\$1,904,000	\$1,135,000
Average length of service of NCSC staff		1 year	0.9 year	1.4 year
Number of NCSC staff transferred to civil service terms	No available information			
Number of NCSC staff failed to transferred to civil service terms (if NCSC staff are allowed to do so)	No available information			
Percentage of NCSC staff in the Branch		13.2%	10.3%	3.5%

# Information not available as the engagement of NCSC staff in 2010-11 will be determined by the service needs at that time.

Name in block letters D.W. Pescod

Permanent Secretary for Commerce  
and Economic Development  
Post Title (Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)040**

Question Serial No.

2207

Head: 55 – Government Secretariat : Subhead 000 Operational expenses  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme:

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide details of outsourced services (including property management, security, cleansing and telecommunications services with the exception of construction works) in the following table:

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	( )	( )	( )	( )
Total contract sum of outsourced service contracts	( )	( )	( )	( )
Total number of staff employed under outsourced service contracts	( )	( )	( )	( )
Number of staff employed under outsourced service contracts who can be replaced by permanent staff of the Government	( )	( )	( )	( )

*Figures in the ( ) represent the year-on-year percentage change*

Asked by: Hon. WONG Kwok-hing

Reply: This branch did not outsource any service from 2007-08 to 2009-10 and has no plans to do so in 2010-11.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)041**

Question Serial No.

2571

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: With respect to “introducing into the Legislative Council the necessary legislative proposal on the establishment of a unified regulator by merging the Broadcasting Authority and the Telecommunications Authority” –

- (a) What are the details of the plan? What is the expected time to introduce the legislative proposal into the Legislative Council?
- (b) How much expenditure is expected to incur?

Asked by: Hon. WONG Kwok-hing

Reply: (a) Rapid advancement in technology is blurring the traditional boundaries between telecommunications and broadcasting, leading to convergence of the two markets. To meet the regulatory challenges arising from the convergence and in line with overseas experience, we propose to set up a unified regulator for the entire electronic communications sector by merging the Broadcasting Authority (BA) and the Telecommunications Authority (TA) into the Communications Authority (CA). The functions of the BA and TA will be transferred to the CA. We briefed the Panel on Information Technology and Broadcasting of the Legislative Council on the details of the proposal in January 2010 (LC Paper No. CB(1)821/(09-10)06).

The merger requires legislative backing. We are close to finalising of a Bill for the purpose and it is our plan to introduce the bill within this legislative session.

- (b) The introduction of the CA Bill will require minimal additional expenditure. The estimated expenditures associated with the establishment of the CA will be absorbed from within existing resources.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)042**

Question Serial No.

2305

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: With respect to broadcasting, film services and creative industries, the estimate for 2010-11 may represent an increase of 35.3% over the original estimate for 2009-10. What are the reasons?

Asked by: Hon. WONG Kwok-kin

Reply: Under Programme (1) Broadcasting, Film Services and Creative Industries, the estimate for 2010-11 is \$70 million (or 35.3%) higher than the original estimate for 2009-10. This is mainly due to the increase in cash flow requirement for general non-recurrent items, increase in departmental expenses and the net increase of 7 posts to be created to support the Create Hong Kong office and for enhancing administrative support in 2010-11.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)043**

Question Serial No.

2306

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: With respect to “the implementation of digital terrestrial television broadcasting”, please provide the following information:

- (a) What is the progress of “the implementation of digital terrestrial television broadcasting”? What is the existing coverage of the digital terrestrial television broadcasting service?
- (b) In 2010-11, what are the details of the relevant work plan and how much expenditure is expected to incur?

Asked by: Hon. WONG Kwok-kin

Reply: (a) The implementation of digital terrestrial television (DTT) broadcasting is progressing in a satisfactory manner. The DTT coverage now extends to about 85% of the population across 18 districts. The viewing public has accepted DTT well and the take-up rate is about 46.5% according to a public survey conducted in December 2009.

The following areas currently have DTT coverage (note):

Hong Kong Island	Central & Western District, Wan Chai, Causeway Bay, Happy Valley, North Point, Quarry Bay, Shau Kei Wan, Chai Wan, Siu Sai Wan, Pok Fu Lam, Aberdeen, Ap Lei Chau, Wong Chuk Hang, Shouson Hill, Repulse Bay, Chung Hom Kok
The Kowloon Peninsula	All major areas have been covered.
New Territories and the outlying islands	Kwai Chung, Tsing Yi, Tsuen Wan, Ting Kau, Sham Tseng, Tsing Lung Tau, So Kwun Wat, Tuen Mun, Lam Tei, Yuen Long, Tin Shui Wai, Sheung Yeung, Ha Yeung, Sheung Sze Wan, Tseung Kwan O, Sai Kung, Ma On Shan, Ma Liu Shui, Sha Tin, Hin Tin, Tai Wai, Tai Po, Fanling, Sheung Shui, Lo Wu, Tung Chung, Discovery Bay, Cheung Chau, Lamma Island

(Note : The areas listed in the table are covered entirely or partially by the DTT signals.)

- (b) The two domestic free television programme service licensees, Asia Television Limited (ATV) and Television Broadcasts Limited (TVB), will continue to extend the DTT network and 17 fill-in stations will be built in 2010 – 2011. The ultimate digital coverage will be on par with the existing analogue television broadcasting. ATV and

TVB will invest on the network rollout in accordance with their investment plan commitment to the Broadcasting Authority.

For DTT-related publicity work, the Communications and Technology Branch, Commerce and Economic Development Bureau (CTB) has earmarked about \$2.1 million in 2010-11 for the purpose. The manpower requirement is absorbed by CTB, which is supported by the Office of the Telecommunications Authority and the Television and Entertainment Licensing Authority.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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

**CEDB(CT)044**

Question Serial No.

2835

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (2) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: With respect to “reviewing the pilot Customer Complaint Settlement Scheme (CCSS) after the pilot run with a view to long term implementation”:

- (a) How much provision has been earmarked for the long term implementation of the CCSS? What is the expected time for its long term implementation?
- (b) In the pilot run, what are the fees paid by each customer for the arbitration? What is the cost of each arbitration case? As the fees involved in the telecommunications disputes are not excessive generally, will the Administration consider providing subsidies in the future for the long term implementation of the CCSS so that the arbitration fees can be lowered to a level affordable to the public?
- (c) At present, a Code of Practice for Communications Service Contracts (CoP) has been issued by the Office of the Telecommunications Authority (OFTA). How will these two measures be coordinated to avoid disputes and let the customers solve the problem easily when disputes occur?

Asked by: Hon. WONG Kwok-kin

- Reply:
- (a) The pilot CCSS ended in February 2010. It is now undergoing a comprehensive review. As the details of the medium to long term plan for the scheme have yet to be worked out, we are not in a position to estimate its resource implications at this point in time. We aim to roll out the medium to long term plan for the scheme, if possible, in the second half of 2010.
  - (b) Under the pilot programme, adjudication services were provided by the Hong Kong International Arbitration Centre free of charge, and OFTA has absorbed the other expenses incurred. No fee was therefore imposed on the operators or customers. In respect of the medium to long term plan for the scheme where more cases are expected to be received, we may need to make reference to similar schemes implemented overseas which are financed by operators who are required to pay, among other things, the case fee when dispute cases are submitted to the scheme. To ensure that only serious cases are filed to the scheme, customers may also be required to pay an application fee if they submit a case to the scheme. The fees will be set at a reasonable level. We will take into consideration relevant overseas experience when formulating the medium to long term plan of the scheme.
  - (c) The CoP was published on 2 February 2010 for voluntary compliance by providers of communications services. It provides the industry with a guideline on drawing up service contracts. Those who have pledged compliance are required to report on their compliance status and if their report is found to be inaccurate or misleading, OFTA



may consider investigating into the case to enforce section 7M of the Telecommunications Ordinance (Cap 106) in respect of misleading or deceptive conduct. Both the CoP and the CCSS are measures mutually reinforcing to enhance protection for consumers, and OFTA would encourage operators to subscribe to both schemes with a view to reducing or resolving contractual and billing disputes.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)045**

Question Serial No.

2048

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Financial Secretary has mentioned about the CreateSmart Initiative (CSI) in paragraph 103 of the Budget Speech. Please inform the Committee of the following:

- (a) How many youths have been provided with job opportunities under the scheme so far?
- (b) Out of the \$300 million fund, how much has been left unspent?
- (c) How many more jobs will be provided to youths under the scheme in 2010-11 as estimated by the Administration?

Asked by: Hon. WONG Sing-chi

- Reply:
- (a) The CSI supports projects with objectives that are in line with our strategic direction to drive the development of the creative industries in Hong Kong. To nurture a pool of creative human capital which forms the backbone of our creative economy is one of the key strategic directions for driving creative industries. As such, Create Hong Kong will support projects which can nurture and develop creative talent. For example, the CSI has provided funding support to the Talent Recruitment Campaign for Hong Kong Online Game Industry as well as the Student Internship and Graduate Trainee Programmes for the advertising industry.
  - (b) Since the introduction of the \$300 million CSI in June 2009, a total of 20 projects with total funding support amounted to \$39.7 million have been approved under the scheme. The uncommitted balance of the CSI therefore stands at around \$260 million.
  - (c) The number of job opportunities to be created by approved CSI projects in the 2010-11 financial year will depend on the nature of the approved projects. We anticipate that more CSI applications would be received and approved in the coming year as a result of the increase in awareness amongst the creative industries and the community. With the successful launch of these projects, more employment opportunities would be made available to the young people.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)046**

Question Serial No.

0020

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: As mentioned in paragraph 103 of the 2010-11 Budget Speech by the Financial Secretary, the \$300 million CreateSmart Initiative (CSI) was launched in June 2009. How does the Government facilitate the development of the creative industries in Hong Kong with the scheme? How much funds have been granted for the CSI projects since then? How many projects have been subsidised under the scheme? In 2010-11, how much funds will be granted under the scheme? What are the target projects? How is the effectiveness of the scheme be evaluated?

Asked by: Hon. WONG Ting-kwong

Reply: The \$300 million CSI is established to promote and speed up the development of local creative industries so as to build Hong Kong into Asia's Creative Capital. It does so by providing financial support to projects conducive to the development of creative industries in Hong Kong with objectives that are in line with our strategic direction to drive the development of the industries. Since the launch of the CSI in June 2009, a total amount of \$39.7 million has been granted for 20 projects approved under the scheme.

Release of funds under the CSI in the upcoming financial year will depend on the number of applications received and the individual merits of the applications. We anticipate that more CSI applications would be received and approved in the coming year as a result of the increase in awareness amongst the creative industries and the community. We will conduct the review of CSI from time to time so as to ensure that the scheme is running smoothly and effectively and is serving its intended purposes.

Name in block letters D.W. Pescod

Permanent Secretary for Commerce  
and Economic Development  
Post Title (Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)047**

Question Serial No.

0021

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: As mentioned in paragraph 102 of the 2010-11 Budget Speech by the Financial Secretary, Create Hong Kong (CreateHK) was set up in 2009. In what way does the office support local creative industries? What are the details of expenditure to be incurred by CreateHK in the financial year of 2010-11?

Asked by: Hon. WONG Ting-kwong

Reply: The CreateHK was established in June 2009 to spearhead the Government's efforts to drive the development of creative industries in Hong Kong. The work of CreateHK in promoting creative industries development follows the seven-pronged strategy we announced after consultation with the industries and the Legislative Council, namely:

- (a) nurturing a pool of creative capital;
- (b) facilitating start-ups and development of creative establishments;
- (c) generating demand for creativity and expanding local market size;
- (d) promoting creative industries in the Mainland and overseas;
- (e) fostering a creative atmosphere within the community;
- (f) developing creative clusters; and
- (g) promoting Hong Kong as Asia's creative hub.

Subsequent to the establishment of the CreateHK, the office has been working closely with the creative industries as well as our strategic partners to devise projects conducive to promoting the development of the industries as well as in line with the above-mentioned strategy. For example, we collaborated with the local advertising sector to introduce trainee and internship programmes to help train new blood for the sector. We have also supported the organisation of the "Make a Difference" (MaD) forum, a regional event which debuted in January 2010 to encourage our younger generation to be creative and innovative.

Besides the above collaborative projects, the CreateHK supports incubation programmes to help creative start-ups by offering affordable office space, training on business skills as well as business matching activities. These incubation programmes include the Cyberport Digital Entertainment Incubation and Training ("IncuTrain") Programme set up for the digital entertainment industry, as well as the InnoCentre incubation programme which aims at nurturing design start-ups.

The CreateHK also administers various funding schemes to provide funding support to our creative industries. The \$320 million Film Development Fund (FDF) was set up to provide financial support for the production of small-to-medium budget films and other film-related projects. The \$250 million DesignSmart Initiative (DSI) was launched in 2004 to fund design-related activities and infrastructure. To strengthen the Government's support for the development of creative industries, we launched the \$300 million CreateSmart Initiative (CSI) in June last year to fund projects conducive to the development of creative industries in Hong Kong with objectives that are in line with our strategies as set out above.

There has been a positive response to the funding schemes under the CreateHK. Some of the projects supported by the funding schemes include the organisation of flagship events like the annual Entertainment Expo and the Business of Design Week, participation by Hong Kong films in international film festivals, the film financing forum, incorporating film and animation elements in the visual arts curriculum of secondary schools, supporting advertising talent to participate in international competitions.

In the 2010-11 financial year, we will continue to work with the creative industries and our strategic partners on collaborative projects which aim at further promoting development of creative industries, as well as promoting the community and the industries to make good use of the funding schemes for the benefit of the industries. We will also continue to support the organisation of flagship events in the territory to promote Hong Kong as Asia's creative capital.

In addition, we will proceed with the revitalisation of the former Police Married Quarters at Hollywood Road for creative industries uses. We will invite proposals for revitalisation the site very soon, with a view to developing the site into a new focus for creative industries in Hong Kong.

For 2010-11, the estimate for CreateHK is about \$220.2 million, including \$47.9 million for personal emolument and departmental expense and \$172.3 million for the various funding schemes administered by the office.

Name in block letters	<u>D.W. Pescod</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u>
Date	<u>16.3.2010</u>

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

**CEDB(CT)048**

Question Serial No.

1658

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

- Question:
- (a) There will be an estimated 5 directorate posts in 2010-11. What are these posts? What is the additional expenditure to be incurred?
  - (b) According to the analysis of financial and staffing provision for Programme (1) "Broadcasting, Film Services and Creative Industries", there will be a net increase of 7 posts in 2010-11. What are these posts? Do some of them refer to the directorate posts mentioned above?

Asked by: Hon. WONG Ting-kwong

- Reply:
- (a) The estimated 5 directorate posts in the Communications and Technology Branch (CTB) in 2010-11 comprise 1 Administrative Officer Staff Grade 'A1' post (D8), 1 Administrative Officer Staff Grade 'B1' post (D4), 1 of Head of Create Hong Kong post (D3) and 2 Administrative Officer Staff Grade 'C' posts (D2). No additional expenditure will be incurred for these posts in 2010-11.
  - (b) The net increase of 7 posts under Programme (1) in 2010-11 is the result of the creation of 1 Senior Executive Officer (SEO) post, 1 Trade Officer (TO) post, 4 Assistant Trade Officer II (ATO II) posts, 1 Executive Officer II (EO II) post and 1 Assistant Clerical Officer (ACO) post, to be offset by deletion of 1 Personal Secretary II post. The SEO, TO and 4 ATO II posts will be created to perform office administration and funding scheme management duties in CreateHK, and the EO II and ACO posts will be created to perform personnel and appointment duties in CTB. The TO and 4 ATO II posts will be created by internal redeployment of manpower resources within the Commerce and Economic Development Bureau. None of these posts relate to the directorate posts mentioned in (a) above.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)049**

Question Serial No.

1679

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: When will the mid-term review of the two domestic free television programme service licences be completed? How soon will the approval procedures for the applications for free television service licences be completed? Should there be an increase of free television operators, will more resources be allocated to the Broadcasting Authority for handling issues related to free television service?

Asked by: Hon. WONG Ting-kwong

Reply: The review period in respect of the mid-term review of the domestic free television programme service licences of Asia Television Limited (亞洲電視有限公司) and Television Broadcasts Limited (電視廣播有限公司) came to an end in February 2010. Having regard to the public views received, the Broadcasting Authority (BA) will shortly submit recommendations for consideration by the Chief Executive in Council on ways to improve the licensees' services for the next six years, i.e. from 2010 to 2015 as early as possible.

The BA is processing two domestic free television programme service licence applications by City Telecom (HK) Limited (城市電訊(香港)有限公司) and i-Cable Communications Limited (有線寬頻通訊有限公司) respectively in accordance with the relevant statutory provisions and established practices. The processing time required depends on the circumstances of individual applications, but the BA will process them within a reasonable time.

The BA is currently supported by a secretariat under the Television and Entertainment Licensing Authority. We will keep in view the resources and support provided to the BA for it to discharge its statutory functions effectively.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)050**

Question Serial No.

1680

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: As regards the Create Hong Kong (CreateHK) set up last year, what is the amount of its operating fund? Up till now, how many applications for funding under CreateHK's funding schemes have been received? How many applications for funding have been approved?

Asked by: Hon. WONG Ting-kwong

Reply: For 2010-11, the estimate for CreateHK is about \$220.2 million, including \$47.9 million for personal emolument and departmental expense purposes and \$172.3 million for the various funding schemes under the office.

The CreateHK is administering the following key funding schemes, namely, the CreateSmart Initiative (CSI), the DesignSmart Initiative (DSI) and the Film Development Fund (FDF). From their respective date of establishment to early March 2010, we have received 57 funding applications to CSI, processed 44 and approved 20 of them. For DSI, we have received 446 applications, processed 435 and approved 319. For FDF, we have received 23 "film production financing" applications, processed them all and approved 14; and received 242 "funding other film-related projects" applications, processed 229 and approved 126.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010



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

**CEDB(CT)051**

Question Serial No.

1681

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: Create Hong Kong will support the local design sector in holding a six-month exhibition and a number of exchange forums in Shanghai. What is the expenditure involved? Why does the initiative cover the design sector only? Has the Administration provided support to other creative industry sectors to organise activities during the Expo?

Asked by: Hon. WONG Ting-kwong

Reply: The CreateSmart Initiative is supporting the Hong Kong Design Centre's initiative to organise a six-month exhibition in Shanghai during the Shanghai Expo period to promote Hong Kong's creative talent and our global influence. Besides the exhibition, the project also involves holding a number of forums to further promote Hong Kong's creative industries in Shanghai. The approved funding for this project amounts to around \$8.4 million.

Though the proposed event is initiated by the Hong Kong Design Centre, its coverage is wider than just the design sector. The event would showcase the works of creative businesses including architecture and design, comics, Hong Kong brands, etc. This is a good example of the local creative industries making use of the Shanghai Expo to promote and publicise Hong Kong's creative industries to the Mainland and the world.

Apart from the above-mentioned event, the Administration is working with our creative industries including the comics and animation, advertising, fashion, design and film sectors to organise a series of activities during the Shanghai Expo period in Shanghai to promote Hong Kong's creative industries to visitors of the Expo from all over the world. Furthermore, we have adopted the theme of creative industries for the months of September and October 2010, and a range of activities including fashion show, film show, business matching activities, forum on brand building and advertising, comics and animation exhibition, etc are being planned to be held in these two months. As the above events are to be held from September onwards, the proposed funding arrangements are still being finalised.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)052**

Question Serial No.

1682

Head: 55 – Government Secretariat : Subhead  
Commerce and Economic (No. & title):  
Development Bureau  
(Communications and  
Technology Branch)

Programme: (1) Broadcasting, Film Services and Creative Industries

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)

Director of Bureau: Secretary for Commerce and Economic Development

Question: What is the coverage of digital terrestrial television (DTT) broadcasting service in Hong Kong to date? Does it tie in with the assessment made when DTT broadcasting was first developed? How much provision will be needed in 2010-11 for continuing the further development of DTT broadcasting so as to enhance its coverage?

Asked by: Hon. WONG Ting-kwong

Reply: DTT was launched at end 2007 with a coverage of 50% of the population initially. The two free-to-air broadcasters, Asia Television Limited (ATV) and Television Broadcasts Limited (TVB), have since been extending their digital network by phases. Currently, the DTT network covers about 85% of the population across 18 districts. 17 more fill-in stations will be built from 2010 to 2011. The ultimate DTT coverage will be on par with that of the current analogue television broadcasting.

ATV and TVB have been building the DTT network in accordance with the requirements set out in their respective licences as well as their investment commitment submitted to the Broadcasting Authority. The Government does not provide any funding to the network rollout (網絡擴展) of the DTT services. For DTT-related publicity work, the Communications and Technology Branch, Commerce and Economic Development Bureau (CTB) has earmarked about \$2.1 million in 2010-11 for the purpose. The manpower requirement is absorbed by CTB, which is supported by the Office of the Telecommunications Authority and the Television and Entertainment Licensing Authority.

Name in block letters D.W. Pescod

Post Title Permanent Secretary for Commerce  
and Economic Development  
(Communications and Technology)

Date 16.3.2010

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

**CEDB(CT)053**

Question Serial No.

2836

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

Programme: (1) Support for Research and Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: In his Policy Address last year, the Chief Executive said that the Administration will provide resources to develop the 6 industries. To encourage business organisations to increase their investment in R&D, this Committee approved in January 2010 a funding of \$200 m to set up a "R&D Cash Rebate Scheme", which will be launched April this year. Please inform this Committee:

- (a) will the Administration seek additional funding from the Committee to ensure the continuity of the Scheme if the proposed \$200 m is exhausted earlier than expected?
- (b) will the Administration consider conducting an annual review instead of triennial to better evaluate the effectiveness of the Scheme?

Asked by: Hon. CHAN Mo-po, Paul

- Reply:
- (a) We will launch the R&D Cash Rebate Scheme this April, thereafter we will review progress annually and report to the Commerce and Industry Panel of the Legislative Council. We will also conduct a comprehensive review of the Scheme after 3 years. If the approved funding commitment is exhausted and the review shows that the Scheme has achieved the desired results, we will seek additional funding from Finance Committee.
  - (b) Yes. While we will conduct a full review of the scheme after 3 years, we will closely monitor the operation of the Scheme as set out in (a) above and put in place improvement measures swiftly as appropriate.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)054**

Question Serial No.

1358

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

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Estimate for Innovation and Technology Commission (ITC) in 2010-11 has increased 4.2% from the original Estimate in 2009-10. What promotion activities will be supported by the added resources? Please provide the details of the activities and their costs respectively.

Asked by: Hon. CHEUNG Hok-ming.

Reply: The increased provision for the ITC in 2010-11 against the original estimate in 2009-10 is mainly due to the increase in salary provision for non-civil service contract staff (pay rise and granting of contract-end gratuities). This is partly offset by the decreased salary provision for civil service staff due to 2009 civil service pay reduction.

ITC will continue to promote and foster innovation and technology culture through organising various initiatives in 2010-11. In addition to the regular promotional activities like students science competitions, we are planning to expand the scale and scope of the annual Innovation Festival to be held in November to December 2010, and to reach out wider audience groups. For reference, ITC spent \$11.13 million in 2009-10 for the promotion of innovation and technology culture in Hong Kong and the amount will rise to \$11.95 million in 2010-11.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)055**

Question Serial No.

2399

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

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development  
Secretary for Food and Health

Question: Regarding the consultations conducted for the purposes of formulating and assessing policies under all programmes, please provide relevant information in the following format :

For the consultations with approved funding in 2009-10, please provide relevant information in the following format :

Name/ Content of consultations	Revised budget (\$)	Progress of consultations (under planning/in progress/ completed)	Mode of consultations (such as written comments, consultation forums, focus groups), number of consultations, name of organisations consulted and the number of consultees	Administration's follow-up actions on the consultation results and their progress (if any)	If completed, have they been published to the public? If yes, through what channels? If no, what are the reasons?
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Asked by: Hon. EU Yuet-mee, Audrey

Reply:

Name/ Content of consultations	Revised budget (\$)	Progress of consultations (under planning/in progress/ completed)	Mode of consultations (such as written comments, consultation forums, focus groups), number of consultations, name of organisations consulted and the number of consultees	Administration's follow-up actions on the consultation results and their progress (if any)	If completed, have they been published to the public? If yes, through what channels? If no, what are the reasons?
Consultation conducted by the Hong Kong Council for Testing and Certification (HKCTC) for formulation of a three-year market-oriented development plan for the testing and certification industry	2,000	Completed	Mode and details of consultation are as follows:  Consultation Forum held on 27 November 2009 – Over 150 participants from about 90 organisations attended the forum. They were from –  (i) major chambers of commerce and relevant trade associations;  (ii) accredited establishments in the testing and certification industry;  (iii) other parties, such as Research and Development Centres under Innovation and	HKCTC is now formulating the development plan and will take these views into account.	HKCTC will release its development plan in late March/early April 2010 and the report will be made available at HKCTC's website.

Name/ Content of consultations	Revised budget (\$)	Progress of consultations (under planning/in progress/ completed)	Mode of consultations (such as written comments, consultation forums, focus groups), number of consultations, name of organisations consulted and the number of consultees	Administration's follow-up actions on the consultation results and their progress (if any)	If completed, have they been published to the public? If yes, through what channels? If no, what are the reasons?
			Technology Commission (ITC), professional bodies, etc.		
Comprehensive Review of R&D Centres set up under the ITF	57,000	Completed	A brain-storming workshop was held on 3 March 2010. Around 130 participants including – (i) Chairmen and Board Members of R&D Centres; (ii) Non-official Members of Hong Kong Science and Technology Park Corporation (HKSTPC) and Hong Kong Productivity Council (HKPC); (iii) representatives from local universities; (iv) members of local chambers of commerce; (v) non-official Members of the ITC Project Vetting Panels; and (vi) CEOs and senior staff of various organisations, etc.	Comments and suggestions from the participants will be taken into account when formulating improvement proposals for the Review.	Yes. Findings and recommendations of the Review, including the comments and suggestions made in the Workshop, will be submitted to the Commerce and Industry Panel of the Legislative Council in due course.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)056**

Question Serial No.

2400

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

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development  
Secretary for Food and Health

Question: Is there any resources reserved for conducting consultations in 2010-11? If yes, please provide the following information :

Name/ Content of consultations	Expenditure (\$)	Progress of consultations (under planning/ in progress/ completed)	Mode of consultations (such as written comments, consultation forums, focus groups), number of consultations, name of organisations consulted and the number of consultees	Will the results be published to the public if they are expected to be completed in the financial year 2010-11? If no, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply: While we do not have specific large-scale consultation exercises in mind for 2010-11 at this stage, we have contingency to meet the cost should the need arise.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)057**

Question Serial No.

1976

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

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: How much resources were actually used in 2008-09 and 2009-10 and how much will be reserved in 2010-11 for the following items? What activities are involved? What are their policy objectives?

- (a) expenses incurred by Hong Kong officials in paying duty visits, attending exchange activities and meetings in the Mainland;
- (b) expenses incurred by exchange activities, entertainment and meetings for Mainland officials and departments in Hong Kong;
- (c) expenses incurred by Hong Kong officials in paying duty visits, attending exchanges and meetings overseas; and
- (d) expenses incurred by exchange activities, entertainment and meetings for overseas officials and departments in Hong Kong.

Asked by: Hon. HO Sau-lan, Cyd

Reply: The Innovation and Technology Commission (ITC) plays an active role in promoting science and technology cooperation with the Mainland and overseas countries through visits, meetings and exchange activities with government officials, scientific institutions, academia and other relevant organisations. Many of these activities however do not incur expenses as they are either held in the form of meetings in ITC or other Government offices or held as part of the visit programmes organised by other parties including the Information Services Department's Sponsored Visitors' Programme.

Resources on exchange activities, duty visits, entertainment and meetings with Mainland and overseas government sector are provided as follows –

	<b>2008-09</b>	<b>2009-10</b>
	(\$'000)	(up to end February) (\$'000)
Expenses incurred by Hong Kong Government officials in paying duty visits, attending exchange activities and meeting in the Mainland	180	290
Expenses incurred by exchange activities, entertainment and meetings for Mainland government officials and departments in Hong Kong	62	10
Expenses incurred by Hong Kong Government officials in paying duty visits, attending exchanges	1,350	980



and meetings overseas		
Expenses incurred by exchange activities, entertainment and meetings for overseas government officials and departments in Hong Kong	4	0.9

For the year 2010-11, we have set aside \$1.7 m for expenses on this front.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)058**

Question Serial No.

0396

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

Programme: (1) Support for Research and Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: The 5 R&D Centres under the Innovation and Technology Commission, including the Automotive Parts and Accessory Systems R&D Centre (APAS), the Hong Kong R&D Centre for Information and Communications Technologies (ICT), the Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies (LSCM), the Nano and Advanced Materials Institute (NAMI), and the Hong Kong Research Institute of Textiles and Apparel (HKRITA), will launch new projects in 2010. Please provide the following information:

- (a) the list of new projects in 2010;
- (b) the estimated economic benefits arising from these projects; and
- (c) the costs for the projects.

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply: The R&D Centres plan to launch a total of 155 projects in various technology areas in 2010 at a total estimated project cost of \$1,069 m. Details are as follows:

	Number of new projects	Technology areas
APAS	16	<ul style="list-style-type: none"> <li>• Electronics and software</li> <li>• Safety systems</li> <li>• Hybrids, electric drives and environment</li> <li>• New materials and processes</li> </ul>
ASTRI (ICT)	71	<ul style="list-style-type: none"> <li>• Communications technologies</li> <li>• Enterprise and consumer electronics</li> <li>• Integrated circuit design</li> <li>• Materials and packaging technologies</li> <li>• Bio-medical electronics</li> </ul>
LSCM	11	<ul style="list-style-type: none"> <li>• Networking and infrastructure technologies</li> <li>• Applications and decision support technologies</li> <li>• RFID hardware and systems technologies</li> </ul>
NAMI	37	<ul style="list-style-type: none"> <li>• Nanomaterials: functionalization and applications</li> <li>• Nanotechnology enabled nano opto-electronics</li> <li>• Nano-structured/textured material applications</li> </ul>

	Number of new projects	Technology areas
		<ul style="list-style-type: none"> <li>• Advanced materials for electronic packaging and other applications</li> <li>• Forming of advanced materials</li> </ul>
HKRITA	20	<ul style="list-style-type: none"> <li>• New materials and textiles and apparel products</li> <li>• Advanced textile and clothing production technology</li> <li>• Innovative design and evaluation technologies</li> <li>• Enhanced industrial systems and infrastructure</li> <li>• Innovative textile materials</li> <li>• Energy-saving and environmental-friendly production system and materials</li> </ul>

**Total: 155**

Before launching these projects, the R&D Centres will assess both the research merits of the project proposals and their potential for commercialization in meeting the needs of the industry. The Centres will have more concrete estimates on the scope of commercialization and the expected economic benefits generated from the projects after their completion. In addition, a comprehensive review of the R&D Centres, including the aspect of commercialization, will be conducted this year. A list of new R&D projects already launched as at end February 2010 is at the Annex.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

List of New R&D Projects of the R&D Centres Launched in 2010

<u>Project Title</u>	<u>Total Project Cost</u> (\$ m)
<b>APAS</b>	
1. A Technological Platform for Traffic Information Collection and Integration	3.3
<b>ICT</b>	
2. High Speed Integrated Circuits for Optical Fiber Communication	2.0
3. Evaluation Platform for DTMB Deployment	2.0
4. Integrated Vertical LED Technology	14.0
5. Ultra Low Energy Analog-to-Digital Converter Technologies	8.8
6. Core technology for multimedia signal processing and productization, intelligent embedded multimedia information processing platform	5.7
<b>LSCM</b>	
7. Development of a Printable RFID Antenna on Packages with Polymer and Paper Substrate	0.9
<b>NAMI</b>	
8. Development of Reactive Hybridization SOL-GEL Technology on Extra Hard and Non-stick Silicon Coating as an Alternative to Teflon Coating for Cookware	1.5
9. Synthesis of Polyhydroxyalkanoate (PHA) Nanocapsules as Protein Drug Carriers	0.5
<b>HKRITA</b>	
10. Body Weight/Shape Reinforcing Health Garment for Overweight Young Females	1.1
11. Conversion of Lab-scale to Industrial Scale Production Technology of (4in1) Finishing Agents and its Application System	1.0
12. Development of Shape Memory Fiber by Melt Spinning Method	10.0
13. The Second-Phase Research and Development of Imaging Colour Measurement (ICM) System for Textile and Garment Industry	8.8
<b>Total:</b>	<hr/> 59.6

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)059**

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

Question Serial No.

0675

Programme: (4) Planning for Innovation and Technology Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2010-11, the Commission plans to continue to promote innovation, technology and design culture to the general public and nurture more creative young talents. What are the specific measures and their respective cost breakdown? How do they compare with those in the previous 3 financial years (i.e. 2007-08 to 2009-10)?

Asked by: Hon. LAM Tai-fai

Reply: In 2010-11, the Innovation and Technology Commission will continue to promote an innovation and technology culture in Hong Kong through various promotional and educational activities. The total expenditure is estimated to be about \$11.95 m. A list of these projects/activities with their estimated costs is as follows:-

	<b>Project</b>	<b>Estimated Cost</b>
1	Innovation Festival 2010	\$8.00 m
2	Hong Kong Student Science Project Competition 2010	\$1.50 m
3	Hong Kong Youth 3D Animation Competition 2010	\$0.20 m
4	Operation of Hong Kong RFID Centre	\$0.50 m
5	Operation of Centre for Creative Science and Technology	\$0.65 m
6	Operation of Innovation and Technology Student Club	\$0.60 m
7	Participation in Innovation and Design Expo	\$0.50 m
	<b>Total</b>	<b>\$11.95 m</b>

The estimated expenditure in 2010-11 is higher than those of the previous 3 years, which were \$11.0 m in 2007-08, \$11.25 m in 2008-09 and \$11.13 m in 2009-10 respectively.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)060**

Question Serial No.

0676

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

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 and Economic Development

Question: During 2010-11, the Hong Kong Productivity Council (HKPC) will continue to support research and development (R&D) institutions in commercialising advanced manufacturing and processing technologies, and promote technology commercialisation and effective intellectual property management to Hong Kong and Mainland enterprises. What are the specific measures and their respective cost breakdown?

Asked by: Hon. LAM Tai-fai

Reply: HKPC has been providing support to R&D institutions and the industry in promoting technology commercialization and intellectual property management both in Hong Kong and the Mainland. This is done through seminars, study missions, training, and dissemination of information on websites and by trade associations as well as laboratory testing and prototyping services, etc. The estimated expenditure of these related services amounts to \$19.7 m in 2010-11, including \$8.5 m for staff cost and \$11.2 m for project cost.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)061**

Question Serial No.

2940

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

Programme: (1) Support for Research and Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: In paragraph 101 of his Budget Speech, the Financial Secretary mentioned that an additional 4 000 R&D-related jobs or so will be provided upon completion of the development of Science Park Phase 3. Has the Administration taken gender into consideration so as to facilitate equal opportunity for women in its recruitment? If yes, what are the details? If no, what are the reasons? Has the Administration estimated the number of posts that may be filled by women?

Asked by: Hon. LAU Wai-hing, Emily

Reply: The reference in the Budget speech is the creation of an additional 4000 R&D related jobs when Science Park Phase 3 is fully occupied. These will be jobs in the private sector. No doubt, the companies in Science Park will recruit the most suitable candidates on an equal opportunity basis.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)062**

Question Serial No.

2727

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

Programme: (1) Support for Research and Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: As to the new research and development (R&D) Cash Rebate Scheme,

- (a) what are the details of the Scheme?
- (b) how many projects can be funded by estimate?
- (c) what is the estimated expenditure involved?
- (d) how will the Administration evaluate the effectiveness of the Scheme?

Asked by: Hon. PAN Pey-chyou

Reply: (a) The R&D Cash Rebate Scheme aims to reinforce a research culture among enterprises and encourage them to establish stronger partnership with public research institutions. Under the Scheme, enterprises conducting applied R&D projects with the support of Innovation and Technology Fund or in partnership with designated local research institutions will enjoy a cash rebate equivalent to 10% of their invested amounts. Following Finance Committee's approval of a funding commitment of \$200 m, we plan to launch the Scheme in April 2010.

(b) & (c) Our preliminary forecast is that \$20 m will be disbursed in 2010-11. We do not have a concrete estimate for the caseload and cash rebate to be disbursed at this stage but will increase the provision for 2010-11 if necessary. We will not set any restriction on the number of applications that may be submitted by a company, nor specify a ceiling on the amount of cash rebate to be received by a company in a financial year.

(d) We will conduct a full review of the Scheme after 3 years to assess its impact on the level of private sector investment in R&D and consider the room for improvement, e.g. the scheme coverage and the level of financial assistance. We will review progress annually and report to the Commerce and Industry Panel of the Legislative Council.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010



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

**CEDB(CT)063**

Question Serial No.

2729

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

Programme: (5) Infrastructural Support

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: As to assisting the Hong Kong Jockey Club Institute of Chinese Medicine Limited (HKJCICM) in developing research and assisting local Chinese medicine development,

- (a) what are the details? Does the Administration have any specific measures to assist the local Chinese medicine development?
- (b) what is the estimated expenditure involved?
- (c) is there any manpower training plan to dovetail with the development? Does it involve additional expenditure? What are the details?
- (d) does the Administration have any plan to facilitate local Chinese medicine development through working with the Mainland? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. PAN Pey-chyou

Reply: (a) The Government continues to support and promote the development of Chinese medicine in Hong Kong. In the 2009-10 Policy Address, the Government announced that it will expedite the setting of standards for Chinese herbal medicines; assist and promote the establishment of testing laboratories in the local market; and consider allowing more renowned Chinese medicine practitioners (CMPs) from the Mainland to join clinical teaching and research programmes in Hong Kong so as to make Hong Kong a stage for promoting Chinese medicine to the world.

In terms of research and development (R&D) facilities, the HKJCICM was set up in 2001 to promote the development of Chinese medicine into a high-valued industry through coordination of related activities and strategic support for scientific and evidence-based development programmes. In addition, the Chinese Medicine Laboratory of HKJCICM and its technology and test laboratory partners have been offering technical support and custom-made contract services to the industry to facilitate the registration and development of quality Chinese medicine products.

The Hong Kong Science and Technology Parks Corporation provides infrastructural support to the industry. At present, 3 Chinese medicine companies have manufacturing facilities in the industrial estates. There are also 3 tenants at the Science Park engaged in Chinese medicine R&D.

- (b) The Hong Kong Jockey Club Charities Trust has pledged to donate \$500 m to HKJCICM for Chinese medicine R&D activities. So far, HKJCICM has committed over \$100 m of this donation. Since its establishment in 1999, the Innovation and Technology Fund (ITF) has funded 32 Chinese medicine-related projects with a total approved amount of nearly \$76 m, including \$27 m to 15 University-Industry Collaboration projects.

The Department of Health has also been collaborating with local universities in the development of standards for Chinese herbal medicines. So far, the standards for 60

herbs have been developed. An additional provision of \$33 m under Programme (1) Statutory Functions of Head 37 Department of Health will be allocated in 2010-11 for this purpose.

- (c) At present, 3 local universities funded by the University Grants Committee - the Hong Kong Baptist University, the Chinese University of Hong Kong and the University of Hong Kong, offer a total of 79 places for undergraduate degree courses in Chinese medicine per year. These undergraduate students can obtain registration status as CMPs after passing the CMPs Licensing Examination. The local supply of human resources in Chinese medicine is able to meet the needs of the community. The allocation of postgraduate places is determined by the universities concerned. There are 10 postgraduate places in the current academic year 2009-10 and the number will be increased to 13 in 2011-12.
- (d) The Government is committed to promoting the Mainland-Hong Kong collaboration on Chinese medicine. The Mainland/Hong Kong Science and Technology Cooperation Committee established in 2004 has selected Chinese medicine as one of the focus areas for technology cooperation. Since 2005, the Guangdong-Hong Kong Technology Cooperation Funding Scheme under the ITF has provided \$15 m funding support to encourage closer R&D collaboration between the Chinese medicine researchers and industry in Hong Kong and Guangdong Province.

In November 2007, the Food and Health Bureau and the State Administration of Traditional Chinese Medicine entered into a cooperation agreement on Chinese medicine. Under this framework, the Department of Health will continue to maintain close liaison with other Chinese herbal medicines producing provinces in the Mainland for formulation of relevant cooperation plans as and when necessary and facilitate Chinese medicine development through mutual exchanges with the Mainland.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)064**

Question Serial No.

2616

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

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 and Economic Development

Question: In matters requiring special attention in 2010-11, the Hong Kong Productivity Council (HKPC) will follow up the recommendations of the Director of Audit's Report No. 53 and those made by the Public Accounts Committee of the Legislative Council (PAC) to strengthen the governance and administration of the organisation. Please provide the proposed adjustments in manpower and staff payment for 2010-11 involved.

Asked by: Hon. SHEK Lai-him, Abraham

Reply: Following the release of the Report of the PAC on 3 February 2010, the HKPC has undertaken to follow-up the recommendations made by PAC and the Director of Audit within 9 months. HKPC is actively taking steps to implement the recommendations. As most of the improvement measures are related to corporate governance and the daily operation of the organisation, HKPC envisages that the work could be absorbed by their existing resources and does not require additional staff for this purpose. Innovation and Technology Commission (ITC) will work closely with HKPC to ensure priority will be accorded to this task. ITC will do so within existing resources.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)065**

Question Serial No.

0661

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

Programme: (5) Infrastructural Support

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: According to the Matters Requiring Special Attention in 2010-11, the Commission will continue to assist in the long-term development of the Hong Kong Science Park. The Administration has also decided to implement the development of Science Park Phase 3 and the project will entail an estimated expenditure of \$4.9 b.

- (a) What are the funding and manpower resources for the above project in 2010-11?
- (b) The financial provision for 2010-11 is \$13 m under this Programme. How much of it is earmarked for developing Science Park Phase 3?
- (c) When will the \$4.9 b development project be launched? What is the detailed schedule?
- (d) Are there any measures to attract world-class enterprises such as DuPont to locate their business in Hong Kong?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) Subject to funding approval from the Finance Committee of Legislative Council, Government will inject \$1,463 m as equity from the Capital Investment Fund in 2010-11 to support the development of Science Park Phase 3. There are no additional staffing implications under Innovation and Technology Commission (ITC) as the project will be implemented by the Hong Kong Science and Technology Parks Corporation (HKSTPC). Support will be provided by ITC where necessary but this will be met from existing resources.
  - (b) Government's financial support for the development of Science Park Phase 3 will be funded under Capital Investment Fund. It will not be an expenditure item under the ITC. The financial provision referred to is primarily for the staff costs for the Infrastructure Division in ITC which looks after policy and housekeeping issues of HKSTPC and the Applied Science and Technology Research Institute.
  - (c) We plan to put the proposed Government financial support for this project to the Finance Committee of the Legislative Council for approval in April 2010. Subject to the approval of the Finance Committee, construction will commence in mid 2011. The first batch of buildings in Phase 3 will be ready in late 2013, while the whole phase will be completed by 2016.
  - (d) Various government agencies and public bodies, including the Commerce and Economic Development Bureau and its economic and trade offices, InvestHK, Trade and Industry Department, Trade Development Council and HKSTPC have been conducting regular promotional activities overseas and in Mainland China to attract enterprises to establish their businesses in Hong Kong. As far as the technology side is concerned, the participation

of Innovation and Technology Commission and HKSTPC in the annual China Hi-Tech Fair and other technology trade fairs also aim to promote Hong Kong as an innovation and technology hub in the region. To further support the development of the innovation and technology sector in Hong Kong, we will introduce from this April a \$200 m “R&D Cash Rebate Scheme”, under which enterprises conducting applied research and development (R&D) projects with the support of the Innovation and Technology Fund or in partnership with local designated research institutions will enjoy a cash rebate equivalent to 10% of their investments in R&D. This new initiative will be an added incentive for overseas and Mainland enterprises to establish their R&D presence in Hong Kong.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)066**

Question Serial No.

0864

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

Programme: (2) Fostering University-Industry Collaboration

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Commission aims to promote collaboration between universities and the industries. According to the 2008 to 2010 statistics provided by the Administration, please inform this Committee:

- (a) why the number of projects funded and being monitored has decreased from 28 to 22 instead of the other way round?
- (b) why only 10 applications were received and processed per annum in the past three years (i.e. 2008 to 2010)? Is it because the scheme is not attractive or the publicity work is insufficient?
- (c) the financial provisions for this Programme in last and current financial year are \$7.6 million and \$7.3 million respectively. As 10 applications were received and processed every year, the average funding amount for each application was only some \$700,000. Is this too small?
- (d) has the Administration conducted any review? Please set out the details if affirmative, or explain why no review has been conducted if negative.

Asked by: Hon. TAM Wai-ho, Samson

Reply: The number of projects funded and being monitored under University-Industry Collaboration Programme (UICP) dropped from 28 in 2008 to 22 in 2010. In recent years, we note the number of UICP projects is declining. This is mainly due to the setting up of the research and development (R&D) centres under the Innovation and Technology Fund and the widening of the scope of the Guangdong-Hong Kong Technology Cooperation Funding Schemes (TCFS) in 2005, both of which provide funding support for R&D projects involving collaboration between universities and industry. For example, between 2005 and 2009, we received about 50 ITSP funding applications involving R&D projects between industry and local research institutions.

The financial provision for Programme (2), including staff costs and related departmental expenditure, is to cater for all work on fostering university-industry collaboration. Apart from overseeing UICP, the staff also take care of tasks in the Commission which aim to support university-industry collaboration like administering collaborative projects under the R&D centres and TCFS. We will conduct a review of university-industry collaboration with the objective of creating greater synergy and making improvements to this programme. In doing so, the scope of UICP will also be covered.

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Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)067**

Question Serial No.

0871

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

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Commission will pursue the exit of Applied Research Fund (ARF) projects through fund managers. In this regard, please inform this Committee :

- (a) What was the number of ARF projects exited in 2009-10? What were the project titles and the investment amount?
- (b) At present, how many projects are still waiting for exit? What are the project titles, the investment amount and the expected waiting time required for exit?
- (c) Has the Commission conducted any review on how to speed up the exit procedure? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) The Applied Research Council (ARC) divested 2 projects in 2009-10. They are: ecVision Limited and Emsoft Limited with an original investment of \$27.24 m and \$7.8 m respectively.
  - (b) As at March 2010, 4 projects managed by fund managers are still pending exit, namely Wisers Information Limited (original investment level at \$3.84 m), CommVerge Solutions Limited (\$7.8 m), iASPEC Technologies Inc. (\$15.55 m) and Dragonchip Limited (\$17.94 m) respectively. The Council has not set a deadline for their exit as that would compromise the financial interests of the ARC in their sales.
  - (c) At the Board Meeting held on 19 February 2009, the ARC endorsed a winding down roadmap. In doing so, it has reviewed relevant information such as exit opportunities available at the time and the prevailing market conditions, and decided the way forward for the ARF. Since then, 2 more investments were divested in 2009-10 as elaborated in part (a) above.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010



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

**CEDB(CT)068**

Question Serial No.

1018

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

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 and Economic Development

Question: According to the information about Applied Science and Technology Research Institute Company Limited (ASTRI), the financial provisions will decrease from \$123 m in 2009-10 to \$106 m in 2010-11. However, it is contradictory that the number of new research and development (R&D) projects will increase from 23 to 41 during the same period. Please inform this Committee, has the Administration explored the reasons for that? If yes, please give detail information. If no, what is the reason? Will the quality and effectiveness of the R&D be affected by the decrease in provisions and increase in the number of project?

Asked by: Hon. TAM Wai-ho, Samson

Reply: The total operating expenditure of ASTRI in 2010-11 will be \$130 m. Of this, \$106 m will be met by Government's subvention while the rest will be met by its reserves. This funding situation was envisaged when the subvention for 2006-07 to 2010-11 was agreed with ASTRI in 2005. The operating expenditure for ASTRI in 2009-10 was \$127 m, which was largely similar.

The vast majority of R&D projects of ASTRI are financed by the Innovation and Technology Fund with contributions from industry. They are not funded by the subvention under Head 155. The reduced provision from subvention next year has no effect on the quality and effectiveness of the R&D of ASTRI as the total operating expenditure of ASTRI will remain largely the same as that of 2009-10.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)069**

Question Serial No.

1019

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

Programme: (1) Support for research and development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: During 2010-11, the Administration will “launch and administer a new research and development (R&D) Cash Rebate Scheme under which enterprises conducting applied R&D projects with the support of the Innovation and Technology Fund or in partnership with local designated research institutions will enjoy a cash rebate equivalent to 10% of their investments.” In this regard, please inform this Committee:

- (a) has the Administration made projections and sufficient preparations for the implementation of the Scheme, including formulating an implementation timetable? How many applications does the Administration estimate to receive and process in the financial year 2010-11? How much rebate is involved?
- (b) has the Administration set up any objective or target to evaluate the effectiveness of the new Scheme? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) Following Finance Committee's approval of a funding commitment of \$200 m, we plan to launch the R&D Cash Rebate Scheme in April 2010. Preparation is actively under way and we aim to issue the application guidelines and procedures and upload the Scheme details and relevant documents onto Innovation and Technology Commission's website upon launching of the Scheme. Seminars and briefings for interested parties will also be organised. Our preliminary forecast is that \$20 m will be disbursed in 2010-11. We do not have a concrete estimate of the caseload and cash rebate to be disbursed at this stage but will increase the provision for 2010-11 if necessary. We will not set any restriction on the number of applications that may be submitted by a company, nor specify a ceiling on the amount of cash rebate to be received by a company in a financial year.
  - (b) We will conduct a full review of the Scheme after 3 years to assess its impact on the level of private sector investment in R&D and consider the room for improvement, e.g. the scheme coverage and the level of financial assistance. We will review progress annually and report to the Commerce and Industry Panel of the Legislative Council.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)070**

Question Serial No.

2688

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

Programme: (4) Planning for Innovation and Technology Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Commission provides secretariat support and policy input to the Steering Committee on Innovation and Technology. In this regard, please inform this Committee:

- (a) How many meetings were held by the Steering Committee on Innovation and Technology in the past 3 years (2007-2009)? What were the major discussion items of these meetings and what were the results?
- (b) Has the Administration followed up the discussion results? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. TAM Wai-ho, Samson

Reply: The Steering Committee on Innovation and Technology advises the Government on the formulation and implementation of innovation and technology policies and ensures greater synergy amongst different elements in the programme. It held a total of three meetings in the past three years. The Committee discussed a wide range of topics highly relevant and crucial to Hong Kong's technology development, such as institutional arrangements for supporting applied research and development (R&D), mid-term review of the R&D Centres, ways to further promote the development of innovation and technology in Hong Kong as well as technological collaboration with the Mainland, etc.

The views offered by Committee members were actively followed up by the Administration. For instance, following discussion of the mid-term review of the R&D Centres, the views of the Committee were incorporated in the subsequent submission on R&D Centres made to the Legislative Council.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

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

Programme: (1) Support for Research and Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the Guangdong-Hong Kong Technology Cooperation Funding Scheme under this Programme, please inform this Committee:

- (a) The number of applications received and processed as estimated by the Administration will be decreased from 79 in the previous year (i.e. 2009) to 65 in 2010. What are the reasons for the decrease?
- (b) What was the actual funding amount for the Scheme in the last financial year (i.e. 2009-10)? How many new projects were funded? When compared with last year, is there any net increase in the estimated amount of funding and the number of funded projects in this financial year?
- (c) Are there any successful cases among the funded projects? If yes, what are the details?
- (d) Has the Administration conducted any review for the inadequacies of the Scheme? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) There may be differences in the number of applications received from year to year depending on the topics proposed for that year, availability of alternative funding sources both in Mainland and Hong Kong, etc. We do not impose a cap on the number of funding applications received/processed nor the total ITF funding available for each round of TCFS. We will increase the annual provision to fund worthwhile projects as necessary.
  - (b) The final figures for 2009-10 are still under preparation. We however estimate that total funding of around \$108 million from the ITF will be approved for some 28 new projects under TCFS. For 2010-11, we expect the number of new projects will be more or less at the same level.
  - (c) Yes. There are successful cases under the TCFS over the years and some prominent examples are provided in the Annex.
  - (d) The governments of Hong Kong, Guangdong and Shenzhen have been regularly reviewing the TCFS Scheme to ensure its smooth operation. We have considered a number of factors, e.g., the overall strategy of developing innovation and technology in Hong Kong and the Pearl River Delta, the needs of the region's industries and the capabilities of R&D institutes. We will continue to work closely with Guangdong and Shenzhen and introduce new measures to enhance the efficiency and effectiveness of TCFS as and when necessary.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

Examples of TCFS Successful Cases

**(1) RFID Enablement Middleware for Enterprise Applications –**

The project aims to develop a flexible middleware linking between RFID systems and backend legacy systems, which would allow easy RFID enablement to existing enterprise applications. The project team has developed the core RFID middleware technologies and patented the technology. Since 2007, the technology has been deployed in various business sectors.

**(2) Innovative Synthesis, Formulation, Production and Application of Environmental Friendly Paint for Coating of Woodenware**

This project aims to develop innovative synthesis, formulation, production and application of environmentally friendly paint for coatings of woodenware in order to solve the problem of volatile organic compound emission. The project team of Hong Kong side cooperated with its Dongguan counterparts and has successfully developed an environmentally friendly paint based on inorganic polymers and a solvent free technology of powder coating. So far, the project team has published 7 research papers and filed 4 patent applications. One of the sponsors has acquired a non-exclusive license on the water-based coating technology and is considering commercialising this technology.

**(3) Real-Time Video Quality Enhancement System for Advanced Mobile Communications**

This project aims to boost up the effective utilization of the 3G video bandwidth and at the same time improve upon the picture quality of video content through an automatic exposure and backlight correction system on mobile phones. A local media content provider has adopted the technology in its new product for peer-to-peer video content streaming service.

**(4) Establishing an EPC Network Infrastructure to enable end-to-end Supply Chain Visibility**

The project aims to develop a global reference model for Electronic Product Code (EPC)/ RFID implementation which includes the development of a local EPC network infrastructure to facilitate local EPC adoption and a number of EPC pilot implementations to demonstrate the practicality of the developed technologies. The project team has established the necessary local EPC infrastructure leveraging EPC global standards to support supply chain visibility data exchange over the network. The EPC infrastructure so developed has supported four real-life pilots with real RFID-tagged shipment for different industry partners. The project has successfully developed a globalized track and traced community platform service, based on EPC/RFID standards and designed to help enterprises in Hong Kong and Pearl River Delta region speed time-to-market, enhance customer satisfaction and connect to the global marketplace.

**(5) Development of Rigid Flex Printed Circuits (RFPC) Manufacturing through Adoption of Advanced Critical Equipment**

The project aims to develop distinctive technologies like desmearing, lamination, and reliability testing technologies for RFPC fabrication. The project has completed the required studies and testing, and conducted successful pilot run in a factory. A database was built with the inclusion of specification of material, quality standards, technical articles, research findings, and reliability test results. A final report on the research results has been published for local interested companies and the sponsoring companies consider the project results useful for developing new advanced products.

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

**CEDB(CT)072**

Question Serial No.

2690

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

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: A Small Entrepreneur Research Assistance Programme (SERAP) is set up under this Programme to provide funding support to technology-based entrepreneurial activities. In this regard, please inform this Committee:

- (a) The original Estimate of \$7.1 million in 2009-10 was revised to \$6.8 million. What are the reasons for the decrease? How many new projects received funding last year (i.e. 2009-10)?
- (b) Over the past three years (i.e. from 2007-08 to 2009-10), how many funded projects succeeded in launching business ventures? How many of them failed? What were the causes for the failures?

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) The SERAP expenditure reduced from \$7.1 million in the 2009-10 original Estimate to \$6.8 million in the 2009-10 revised Estimate. This is due to lower expenditure of the SERAP secretariat as a result of the 2009 civil service pay reduction. It is not related to project funding.

34 new projects received a total funding of \$45.2 million in 2009-10.

- (b) SERAP provides funding support to local technology companies with less than 100 employees. In this regard, a SERAP applicant could be an established company or a start-up. Over the past 3 years, SERAP supported 35 technology start-up companies. All of them have launched their business and are still in business now.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)073**

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

Question Serial No.

2691

Programme: (4) Planning for Innovation and Technology Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Commission is responsible for processing applications for setting up state key laboratories (SKL) in Hong Kong. In this regard,

- (a) Currently, how many SKL projects are assisted by Hong Kong in the implementation and monitoring work? What are the research areas, projects, expenditures and Mainland partners involved? What were the new projects implemented in 2009?
- (b) How many applications are still pending? What are their research areas, projects, expenditures and Mainland partners? How much time is needed to process an application?
- (c) Has the Administration conducted a full review with the Ministry of Science and Technology on the mode of operation of SKLs in Hong Kong? (e.g. to explore the possibility of setting up SKLs by local universities and research institutes without partnering with Mainland's research institutes) If yes, what are the details? If no, what are the reasons and the major difficulties involved?

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) At present, a total of 9 laboratories in 5 universities from Hong Kong has been approved as Partner State Key Laboratories (SKLs) by the Ministry of Science and Technology (MOST). Among these 9 laboratories, 4 gained their approval in 2009 through the coordination of the Innovation and Technology Commission (ITC). The Partner SKLs are fully funded by the universities concerned.

More information about these 9 approved Partner SKLs is in the table below.

	<b>Name (which includes its research focus)</b>	<b>University</b>	<b>Mainland partner</b>
1.	SKL of Phytochemistry and Plant Resources in West China #	Chinese University of Hong Kong	Kunming Institute of Botany, Chinese Academy of Sciences - SKL of Phytochemistry and Plant Resources in West China
2.	SKL of Molecular Neuroscience #	Hong Kong University of Science and Technology	Institute of Neuroscience, Shanghai Institutes for Biological Sciences, Chinese Academy of Sciences - SKL of Neuroscience (in Shanghai)
3.	SKL of Marine Pollution #	City University of Hong Kong	Xiamen University - SKL of Marine Environmental Science



	<b>Name (which includes its research focus)</b>	<b>University</b>	<b>Mainland partner</b>
4.	SKL of Ultraprecision Machining Technology #	Hong Kong Polytechnic University	Tsinghua University and Tianjin University - SKL of Precision Measurement Technology and Instruments
5.	SKL of Emerging Infectious Diseases	University of Hong Kong	Chinese Centre for Disease Control and Prevention - SKL for Infectious Diseases Prevention and Control (in Beijing)
6.	SKL of Brain and Cognitive Sciences	University of Hong Kong	Institute of Biophysics, Chinese Academy of Science - SKL of Brain and Cognitive Sciences (in Beijing)
7.	SKL of Oncology in South China	Chinese University of Hong Kong	Sun Yat-Sen University Cancer Center - SKL in Oncology in South China (in Guangzhou)
8.	SKL of Agrobiotechnology	Chinese University of Hong Kong	China Agricultural University - SKL of Agrobiotechnology (in Beijing)
9.	SKL of Millimeter Waves	City University of Hong Kong	Southeast University-SKL of Millimeter Waves (in Nanjing)

Notes:

(1) Those new Partner SKLs approved in 2009 are marked with a # after their name.

- (b) At present, there are 3 laboratories in areas such as Chirosciences, Synthetic Chemistry and Liver Research, which have got MOST's in-principle endorsement for approval as Partner SKLs. The costs are fully met by the universities.

The approval process generally takes about 2 years, which includes an initial assessment with peer review conducted by the Research Grant Council, and an on-site visit conducted by MOST officials.

- (c) The Administration has hitherto not conducted a full review as the arrangement is relatively new. With more experience collected, we will conduct a full review with the universities concerned, as well as our counterparts in the Mainland. We will continue our close liaison with MOST to facilitate the formal approval of these 3 laboratories, and there-after review the operation of SKLs in Hong Kong as and when necessary.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)074**

Question Serial No.

2882

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

Programme: (1) Support for Research and Development

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: What makes the Administration expect that the number of new projects conducted by Hong Kong R&D Centre for Information and Communications Technologies (ICT), Nano and Advanced Materials Institute (NAMI) and Hong Kong Research Institute of Textiles and Apparel (HKRITA) will increase sharply?

Asked by: Hon. TONG Ka-wah, Ronny

Reply: The 2010 estimates are worked out by the R&D Centres taking into account the latest market information. For those Centres which project an increase in the number of new projects, it is expected that they will be able to attract more industry partners to participate in new projects to meet industry demands both locally and in the Mainland. (An industry contribution of at least 10% of the project cost is required for every project.) In other cases like ICT and NAMI, they have identified new focus areas and plan to commence projects in these areas in 2010. For example, Applied Science and Technology Research Institute has set up a new team in the area of bio-medical electronics, whereas NAMI has identified new market segments like construction and building materials.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)075**

Question Serial No.

2883

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

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 and Economic Development

Question: What are the reasons for the significant decline in the number of research and development (R&D) projects conducted by Hong Kong Productivity Council (HKPC) in 2010-11?

Asked by: Hon. TONG Ka-wah, Ronny

Reply: HKPC estimates that the numbers of new projects and on-going projects to be undertaken in 2010-11 will be lower due to the completion of some on-going projects in 2009-10. This is because due to the nature of applied R&D, the number of new and on-going projects undertaken by various research institutions (including HKPC) can vary from year to year, depending on the prevailing demand from industry, the duration of individual projects and whether more projects are completed in a particular year.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)076**

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

Question Serial No.

2208

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide the following information on the hiring of service from agencies :

- (a) the number of hiring contracts with agencies;
- (b) the contract sum and contract periods for each agency;
- (c) the number of workers each agency provided and their duties;
- (d) the details of the salaries provided by each agency. What are the salary ranges for monthly, daily and hourly rated workers respectively?
- (e) for items (a), (b), (c) and (d) above, please state the number or amount involved in each of the following years, and the percentage increase or decrease -

	2010-11	2009-10	2008-09	2007-08
No. of agencies	()	()	()	()
Total contract amount for hiring agencies	()	()	()	()
Average contract period	()	()	()	()
Total no. of agency workers	()	()	()	()
Salaries for agency workers (highest, median, lowest)	Highest () Median () Lowest ()	Highest () Median () Lowest ()	Highest () Median () Lowest ()	Highest () Median () Lowest ()

*( ) is the percentage increase/decrease*

- (f) the percentage of agency workers as compared with the total strength of the Commission; and
- (g) the expenditure for hiring agencies as compared with the total expenditure of the Commission.

Asked by: Hon. WONG Kwok-hing

- Reply:
- (a) We had 5 contracts signed with two manpower agencies as at 28.2.2010.
  - (b) As at 28.2.2010, the contract price ranged from \$18,750 to \$167,880 with contracts lasting from 3 months to 1 year.
  - (c) Duties include general office support; delivery of laboratory equipment and project coordination.

- (d) The contracts we entered into with the agencies did not specify the wages of agency workers. Hence we are unable to provide the information requested.
- (e) Information on engagement of manpower agencies in different financial years is as follows -

	As at 28.2.2010	As at 31.3.2009	As at 31.3.2008
No. of Agencies	2	1	1
Total contract amount	\$354,390	\$399,240	\$411,510
Average duration of contract	6.2 months	12 months	11.6 months
Total no. of agency workers	5	3	3

[Note : Information for 2010/11 is not available as we are reviewing the need of engaging agency staff.]

- (f) As compared to the total strength of Innovation and Technology Commission (ITC) as at 28.2.2010, we have 2.5% agency workers.
- (g) The total expenditure on agency services is about 0.38 % of the total operating expenditures for ITC as at 28.2.2010.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)077**

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

Question Serial No.

2209

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide information on employment of temporary staff using the table below -

	2010-11	2009-10	2008-09	2007-08
Total no. of temporary staff hired	()	()	()	()
Total expenses on temporary staff salary	()	()	()	()
Percentage of temporary staff as compared with the total strength of Innovation and Technology Commission (%)	()	()	()	()

*( ) indicates the annual percentage increase/decrease*

Asked by: Hon. WONG Kwok-hing

Reply: Information on temporary staff engaged by the Innovation and Technology Commission (all of them are part-time staff) is as follows -

	For the year ending 28.2.2010	For the year ending 31.3.2009	For the year ending 31.3.2008
Total no. of temporary staff hired	4	2	2
Total expenses on temporary staff salary	\$0.19 m	\$0.58 m	\$0.37 m
Percentage of temporary staff as compared with the total strength of Innovation and Technology Commission as at year end/28.2.2010	0.98 %	0.5 % [Note: as at 31.3.2009, only one temporary staff remains in post]	1 %

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)078**

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

Question Serial No.

2210

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide information on employment of non-civil service contract (NCSC) staff using the table below -

	2010-11	2009-10	2008-09	2007-08
Total no. of NCSC staff hired	( )	( )	( )	( )
Total expenses on NCSC staff salary	( )	( )	( )	( )
Average employment duration of NCSC staff	( )	( )	( )	( )
No. of NCSC staff turned civil servant	( )	( )	( )	( )
No. of NCSC staff qualified for the permanent civil service post but failed to get through the recruitment exercise	( )	( )	( )	( )
Percentage of NCSC staff compared with the total strength of Innovation and Technology Commission (%)	( )	( )	( )	( )

( ) indicates the annual percentage increase/decrease

Asked by: Hon. WONG Kwok-hing

Reply: Information on NCSC staff engaged by the Innovation and Technology Commission is as follows -

	For the year ending 28.2.2010	For the year ending 31.3.2009	For the year ending 31.3.2008
Total no. of NCSC staff hired	36	32	28
Total expenses on NCSC staff salary	\$16.43 m	\$14.91 m	\$13.9 m
Average employment duration of NCSC staff	3.41 years	3.45 years	3.85 years
No. of NCSC staff turned civil servants	No available information.		
No. of NCSC staff qualified for the permanent civil service post but failed to get through the recruitment exercise	No available information.		
Percentage of NCSC staff compared with the total strength of Innovation and Technology Commission as at year end/28.2.2010	17.6 %	16.3 %	14.6 %

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010



Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)079**

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

Question Serial No.

2211

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide information on the outsourcing service, including property management, security, cleansing and telecommunication (but excluding outsourcing of construction work):

	2010-11	2009-10	2008-09	2007-08
Total no. of outsourcing service contracts	( )	( )	( )	( )
Total amount of outsourcing service contracts	( )	( )	( )	( )
Total no. of staff employed under outsourcing service contracts	( )	( )	( )	( )
The no. of staff employed under outsourcing service contracts who can be replaced by permanent staff	( )	( )	( )	( )

( ) indicates the annual percentage increase/decrease

Asked by: Hon. WONG Kwok-hing

Reply: The Innovation and Technology Commission does not let any outsourcing service contracts.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)080**

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

Question Serial No.

2328

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: (a) Please provide information on employment of non-civil service contract (NCSC) staff using the table below -

	2010-11	2009-10	2008-09	2007-08
Total no. of NCSC staff hired	( )	( )	( )	( )
Total expenses on NCSC staff salary	( )	( )	( )	( )
No. of NCSC staff turned civil servant	( )	( )	( )	( )
No. of NCSC staff qualified for the permanent civil service post but failed to get through the recruitment exercise	( )	( )	( )	( )
Percentage of NCSC staff compared with the total strength of the Innovation and Technology Commission as at year end/28.2.2010	( )	( )	( )	( )

( ) indicates the annual percentage increase/decrease

(b) Please provide information on the employment duration of NCSC staff from 2007-08 to 2010-11 using the table below -

Duration	No. of staff in 2010-11	No. of staff in 2009-10	No. of staff in 2008-09	No of staff in 2007-08
0.5-1 year	( )	( )	( )	( )
1-3 years	( )	( )	( )	( )
3-5 years	( )	( )	( )	( )
5-10 years	( )	( )	( )	( )
10-15 years	( )	( )	( )	( )

( ) indicates the annual percentage increase/decrease

(c) How many NCSC staff will turn civil servants in the next 3 years (i.e. 2010-11 to 2012-13)?

Asked by: Hon. WONG Kwok-hing

Reply: (a) Information on NCSC staff engaged by the Innovation and Technology Commission is as follows -

	For the year ending 28.2.2010	For the year ending 31.3.2009	For the year ending 31.3.2008
Total no. of NCSC staff hired	36	32	28
Total expenses on NCSC staff salary	\$16.43 m	\$14.91 m	\$13.9 m
No. of NCSC staff turned civil servant	No available information.		
No. of NCSC staff qualified for the permanent civil service post but failed to get through the recruitment exercise	No available information.		
Percentage of NCSC staff compared with the total strength of the Innovation and Technology Commission as at year end/28.2.2010	17.6 %	16.3 %	14.6 %

(b) Employment duration of NCSC staff in different financial years is as follows –

	For the year ending 28.2.2010	For the year ending 31.3.2009	For the year ending 31.3.2008
Less than 0.5 year	2	6	-
Over 0.5 year to 1 year	12	5	1
Over 1 year to 3 years	5	8	15
Over 3 years to 5 years	9	4	3
Over 5 years to 10 years	8	9	9

(c) As the entry requirements and selection process for NCSC positions are different from those of civil service posts, we are unable to provide forecasts on the number of NCSC staff who would become civil servants in the coming 3 years. Vacancies in civil service will be filled by open and fair recruitment exercises.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)081**

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

Question Serial No.

2329

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: (a) Please provide information on outsourcing services, including property management, security, cleansing and telecommunication (but excluding outsourcing of construction

	2010-11	2009-10	2008-09	2007-08
Total no. of outsourcing service contracts	()	()	()	()
Total amount of outsourcing service contracts	()	()	()	()
Total no. of staff employed under outsourcing service contracts	()	()	()	()
The no. of staff employed under outsourcing service contracts who can be replaced by permanent staff	()	()	()	()

*( ) indicates the annual percentage increase/decrease*

(b) What will be the no. of positions under outsourcing service contracts that can be replaced by permanent staff in the next 3 years (i.e. 2010-11 to 2012-13)?

Asked by: Hon. WONG Kwok-hing

Reply: The Innovation and Technology Commission does not let any outsourcing service contracts.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)082**

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

Question Serial No.

2330

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: (a) Please provide information on the temporary staff employed and expected to be employed from 2007-08 to 2010-11 using the table below -

	2010-11	2009-10	2008-09	2007-08
Total no. of temporary staff hired	( )	( )	( )	( )
Total expenses on temporary staff salary	( )	( )	( )	( )
Percentage of temporary staff as compared with the total strength of Innovation and Technology Commission (%)	( )	( )	( )	( )

( ) indicates the annual percentage increase/decrease

(b) Please provide information on employment duration of temporary staff and will-be-hired temporary staff from 2007-08 to 2010-11 using the table below -

No. of years	No. of staff in 2010-11	No. of staff in 2009-10	No. of staff in 2008-09	No of staff in 2007-08
0.5 year	( )	( )	( )	( )
1 year	( )	( )	( )	( )
2 years	( )	( )	( )	( )
3 years	( )	( )	( )	( )
3 years or above	( )	( )	( )	( )

( ) indicates the annual percentage increase/decrease

Asked by: Hon. WONG Kwok-hing

Reply: (a) Information on temporary staff engaged by the Innovation and Technology Commission (all of them are part-time staff) is as follows -

	For the year ending 28.2.2010	For the year ending 31.3.2009	For the year ending 31.3.2008
Total no. of temporary staff hired	4	2	2
Total expenses on temporary staff salary	\$0.19 m	\$0.58 m	\$0.37 m
Percentage of temporary	0.93 %	0.5 %	1 %

staff as compared with the total strength of ITC as at year end/28.2.2010			
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(b) Employment duration of temporary staff are as follow -

Duration	For the year ending 28.2.2010	For the year ending 31.3.2009	For the year ending 31.3.2008
Less than 0.5 year	3	-	1
Over 0.5 year to 1 year	-	1	-
Over 1 year to 3 years	-	1	1
Over 3 years to 5 years	1	-	-

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)083**

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

Question Serial No.

2331

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide, in table form, the following information in relation to the agency services for the period from 2006□07 to 2009□10:

- (a) the number of hiring contracts with agencies;
- (b) the contract values and contract periods for each contract of the agencies;
- (c) the number of workers provided by each contract and their duties;
- (d) the details of the salaries provided by each agency, including daily and hourly rates;
- (e) the increase or decrease in the number of agencies, contracts, workers, and expense as compared with the previous year;
- (f) if more than 1 agency were hired, please list out the number of contracts, total contract amount and the number workers provided by each agency;
- (g) the highest, median and lowest salaries for the workers from each agency;
- (h) the percentage of agency workers as compared with the total strength in the Commission in the corresponding year; and
- (i) the expenditure for hiring agencies as compared with the total expenditure of the Commission.

Asked by: Hon. WONG Kwok-hing

Reply: Information on engagement of agency workers in Innovation and Technology Commission is provided below -

	As at 28.2.2010	As at 31.3.2009	As at 31.3.2008	As at 31.3.2007
(a) No. of contract	5	3	3	3
(b)(1) Contract value	(1) \$18,750 to \$167,880	(1) \$114,000 to \$152,640	(1) \$115,830 to \$147,840	(1) \$54,000 to \$108,000
(2) Contract duration	(2) 3 months to 1 year	(2) 1 year	(2) 11 months to 1 year	(2) 6 months to 1 year
(c) No. of workers for each contract and duties	One officer is engaged in each contract. Duties include general office support; delivery of laboratory equipment and project coordination.			
(d) and (g) Wages of agency workers	The contracts we entered into with the agencies did not specify the wages of agency workers. Hence we are unable to provide the information requested.			

	As at 28.2.2010	As at 31.3.2009	As at 31.3.2008	As at 31.3.2007
(e) and (f)				
(1) No. of Agencies	(1) 2	(1) 1	(1) 1	(1) 1
(2) Total no. of agency workers per agency	(2) 2 and 3	(2) 3	(2) 3	(2) 3
(3) Contract amount per agency	(3) \$224,880 and \$129,510	(3) \$399,240	(3) \$411,510	(3) \$270,000
(h) Percentage of agency workers compared with the total strength of ITC as at year end/as at 28.2.2010	2.5%	1.5%	1.6%	1.5%
(i) Percentage of total expenses on agency services as compared with the total operating expenditure of ITC	0.38%	0.19%	0.19%	0.18%

[Note: Except for Part (i), figures provided in the table above are position for a specific date only and are not representative of the situation for the concerned financial year.]

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010



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

**CEDB(CT)084**

Question Serial No.

2049

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

Programme:

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: In paragraph 101 of his Budget Speech, the Financial Secretary mentioned that an additional 4 000 R&D-related jobs or so will be provided upon completion of the development of Science Park Phase 3, and that around 5 000 construction-related job opportunities will be created during the construction period. Please inform this Committee how many employment opportunities/jobs will be provided specifically for the 19-24 age group during the construction period of Science Park Phase 3?

Asked by: Hon. WONG Sing-chi

Reply: We estimate that about 5,000 jobs will be created during the construction period at Science Park Phase 3. Subject to the funding approval by the Finance Committee of the Legislative Council, the Hong Kong Science and Technology Parks Corporation (HKSTPC) will commence the project in mid-2011 for completion in 2016. Being an equal opportunities employer, HKSTPC will not dictate the age profile of construction related personnel to be engaged for the project. It is however certain that the project will open up more employment opportunities to those in the construction related fields, including those aged between 19 and 24. For instance, in this age group, university graduates can work as assistant engineers or surveyors and school-leavers can work in the less skilled categories, such as site clerks, trainee technicians or labourers.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)085**

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

Question Serial No.

0018

Programme: (6) Quality Support

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development  
Secretary for Food and Health

Question: In paragraph 87 of his Budget Speech 2010-2011, the Financial Secretary mentioned that the Administration will allocate \$20 million in the next two years to support the work of the Hong Kong Council for Testing and Certification (HKCTC), with a view to enhancing the professional standards of the local testing and certification services as well as international recognition, thereby creating more business opportunities. An additional \$21 million will also be allocated in the next two years to the Hong Kong Accreditation Service to strengthen services to the industry. How much will be allocated to the above-mentioned programmes respectively in financial year 2010-11? Please inform this Committee how the provisions will be used and the details of expenditure.

Asked by: Hon. WONG Ting-kwong

Reply: The HKCTC will shortly submit to the Chief Executive development plan for the coming three years. The Administration has reserved \$9 million in 2010-11 to provide secretariat support to HKCTC and to allow the Council to carry out publicity and promotional programmes for the industry locally as well as outside Hong Kong. HKCTC will work out in detail the use of these resources after the industry development plan is issued.

Another \$9 million will be provided to the Hong Kong Accreditation Service in 2010-11 to strengthen its services to the industry, such as introduction of new accreditation services in response to the needs of the industry, hire of additional assessors and provision of more training to practitioners in the industry.

Name in block letters Miss Janet WONG

Post Title Commissioner for Innovation and  
Technology

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)086**

Question Serial No.

0019

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

Programme: (5) Infrastructural Support

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce and Economic Development

Question: In paragraph 101 of his Budget Speech 2010-11, the Financial Secretary mentioned that the Administration has decided to implement the development of Science Park Phase 3 and the project will entail an estimated expenditure of \$4.9 b. Please inform this Committee the scope of development, financing methods, total amount of Government funding and the amount of funding in financial year 2010-11 for Science Park Phase 3. What are the details of expenditure?

Asked by: Hon. WONG Ting-kwong

Reply: Science Park Phase 3 covers 6.24 hectares of land with a total gross floor area of about 105 000 square metres (or a total construction floor area of about 194 700 square metres). The proposed development includes 9 R&D buildings, 1 energy tower and ancillary facilities. Green features will be incorporated in the project as appropriate.

The estimated project expenditure of Science Park Phase 3 is \$4.9 b. The proposed financing structure is as follows:

- Government injection of \$1,463 m as equity;
- Government loan of \$1,220 m from the Capital Investment Fund;
- Commercial loan of \$1,707 m to be taken out by the Hong Kong Science & Technology Parks Corporation (HKSTPC) with Government's guarantee; and
- HKSTPC's contribution of \$488 m from its internal resources.

Under this proposal, Government's financial support in various forms will constitute up to 90% of the project cost, made up of direct funding of 55% (i.e. 30% Government equity and 25% Government loan) and guarantee for 35% for commercial loan. We plan to submit the proposed Government financial support for this project to the Finance Committee of the Legislative Council for approval in April 2010. Subject to the approval of the Finance Committee, Government's equity will be injected in 2010-11 while Government loan will be provided in 2011-12 to 2012-13.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)087**

Question Serial No.

1667

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

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 and Economic Development

Question: In the light of the challenges from the Mainland's processing trade policy, Hong Kong Productivity Council (HKPC) has assisted local manufacturers in industry upgrading, business transformation or relocating their operations through the programme "Transformation, Upgrade and Relocation to Unveil a New Horizon for Processing Trade Industry" (TURN). How many enterprises participated in the programme last year? How effective was the programme?

Asked by: Hon. WONG Ting-kwong

Reply: In mid-2008, the Commerce and Economic Development Bureau and HKPC jointly launched the 18-month TURN programme. By providing enterprises with technical guidance and supporting services on upgrading and transformation, and sharing of experience of different industries with the trade, the TURN programme aimed to strengthen the capability of the industry in undergoing upgrading and transformation. The programme was well-received by the industry.

Under the TURN programme, HKPC conducted on-site assessments for 30 small and medium enterprises which had indicated willingness to undergo upgrading and transformation with an aim to analysing problems which might be encountered by these enterprises during the change process and put forth concrete proposals. In addition, HKPC organised more than 80 promotional events under the TURN programme (including fora, seminars, study missions, etc.) which attracted more than 10 600 participants.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)088**

Question Serial No.

1669

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

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 and Economic Development

Question: The Hong Kong Productivity Council (HKPC) will also assist Hong Kong companies and industries to leverage on the business opportunities arising from the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). How many marketing activities were organised by HKPC for Hong Kong companies that are based locally or in the Mainland? How does the number compare with the one of this year? How effective were these activities? What measures will HKPC adopt to facilitate Hong Kong companies for tapping into the domestic market in the Mainland?

Asked by: Hon. WONG Ting-kwong

Reply: Apart from undertaking its mission to promote productivity excellence of the industry by enhancing the value-added content of products and services, HKPC also supports local enterprises to develop sales in the Mainland. HKPC has recently secured funding support of \$1 m from the SME Development Fund to implement a project entitled "China Domestic Sales Support Program for SME" to assist six major industries (viz. watches & clocks, jewelry, household, electrical appliances, clothing & footwear, personal healthcare products and food processing) to start domestic sales in Guangdong Province. HKPC aims to complete the project in December 2010, after which the project results will be promoted through seminars and publications.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)089**

Question Serial No.

1670

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

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 and Economic Development

Question: According to the data, when compared with last year, the estimated number of people who attended the Hong Kong Productivity Council (HKPC) events/networking activities for associations/non-fee-charging seminars decreases by thousands; the estimated number of people who participated in HKPC study missions/conferences is nearly halved; and the number of research and development (R&D) projects is also expected to decline. Can the Administration explain them? Will the expenditure of HKPC decrease because of these? If yes, how much is involved?

Asked by: Hon. WONG Ting-kwong

Reply: HKPC's 2010-11 estimates for the number of people attending HKPC events, networking activities and non-fee charging seminars are broadly in line with the number in 2008-09. The figure for 2009-10 was exceptionally high because of several major one-off initiatives originated that year, including the Cleaner Production Partnership Programme and the "Transform, Upgrade and Relocate for a New Horizon" (TURN) Programme, which entailed organising around 90 workshops, seminars and other extra promotional activities.

Regarding the number of people who participated in study missions/conferences, the estimate decreased from 3 255 in 2009-10 to 1 760 in 2010-11. This is because HKPC plans to improve the cost-effectiveness of its promotional and marketing efforts by adjusting its strategy through reducing the number of such activities while enhancing the quality by focusing its efforts.

Regarding the number of R&D projects to be implemented in 2010-11, this is lower due to the completion of some on-going projects in 2009-10. Due to the nature of applied R&D, the number of new and on-going projects undertaken by various research institutions (including HKPC) can vary from year to year, depending on the prevailing demand from the industry, the duration of individual projects and whether more projects are completed in a particular year.

As R&D projects constitute only one facet of the work of HKPC and HKPC has deployed its resources to other areas of work, there is no significant impact on the expenditure of HKPC. Roughly one-third of HKPC's total expenditure, which amounted to about \$500 m in the past few years, is funded by Government's annual subvention and the rest is financed by HKPC's fee-generating services.

Name in block letters Miss Janet Wong

Post Title Commissioner for Innovation and Technology

Date 16.3.2010

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

**CEDB(CT)090**

Question Serial No.

0417

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

- Question:
- (a) How will the Government encourage the political appointees to open an account in Facebook or Twitter for instant and direct communication with the public on government policies? How many political appointees have already opened an account in Facebook or Twitter? How many resources will the Government allocate to meet the needs of such interactive communication that require instant and direct response?
  - (b) How will they respond to the large number of questions and views put forward by the netizens after opening an account in Facebook or Twitter? Will the Government consider following the practices of other foreign governments? Did the Government conduct any similar research to assess the effectiveness of following the practices of other foreign governments?

Asked by: Hon. CHAN Mo-po, Paul

Reply:

- (a) Social media such as Facebook and Twitter are rising in popularity, and have the potential to be an important channel for engagement with some segments of the public. The Office of the Government Chief Information Officer keeps in view the development of social media platforms, and briefs political appointees and permanent officials about how these platforms are used by the public in Hong Kong and by other Governments. All officials involved in public engagement are encouraged to choose a mix of online and offline communications channels that they consider appropriate, depending on the nature of their stakeholders and issues on which they need to engage.

Currently, 6 out of 34 politically appointed officials have opened a Facebook account for public engagement. No politically appointed official has opened a Twitter account to engage the public. The Chief Executive and 4 political appointees also have blogs to engage the public. At present, the resource implications can be absorbed using existing resources and staff. We will constantly review the need for public engagement using social media and accord necessary resources in due course.

- (b) Government officials who use Facebook respond to online questions and comments to the best of their abilities and according to their different circumstances, just as they do using traditional media. On the whole, they are able to respond satisfactorily to the public. However it is not practical to give a commitment that every comment from the public will receive an instant, personal reply irrespective of the volume of comments made. In our study of overseas practices, we note that high-profile political appointees overseas usually participate personally at pre-arranged online “events” such as webchats or webcasts, rather than participating casually in online conversations. We will draw reference from these practices as applicable.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010



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

**CEDB(CT)091**

Question Serial No.

0352

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: In recent years, incidents related to the leakage of personal data of the public through the Internet have repeatedly occurred in government departments. Is there any plan for the Administration to enhance the awareness of their staff in dealing with sensitive information? If so, what are the details of the plan and the expenditure involved?

Asked by: Hon. HO Chung-tai, Raymond

Reply: The Government has adopted a multi-pronged approach to enhance information security which includes a one-year staff communication programme (the Programme) launched since early 2009 to help Government staff build up and sustain a high level of awareness, working knowledge and good practices on information security, as well as a commitment to safeguarding sensitive and personal data. The Programme caters for the needs of different stakeholder groups of various responsibility levels including policy makers, departmental management and administrators, IT professionals, end-users, departmental security officers and departmental IT security officers in bureaux/departments (B/Ds). A variety of communication methods and channels have been employed to suit different target groups. These include leaflets and posters, smart reminders, customised seminars, web training courses, video training materials, articles and newsletters on best practices, games and quizzes, roving exhibitions, data protection pledge, contests, etc.

We are conducting a staff survey to assess the effectiveness of our efforts to improve awareness of security requirements and commitment to comply with them. We will continue our effort to raise and sustain staff awareness on data protection. The Office of the Government Chief Information Officer manpower involved to perform the awareness promotion and other supporting activities in 2010-11 will be 9 staff in our IT security team and a proposed expenditure budget of around \$5.5 m.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)092**

Question Serial No.

1979

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the Administration's efforts to "develop the first wave of electronic information management strategies for participating bureaux/departments (B/Ds) and a framework for facilitating the wider implementation of electronic information management in the Government" in 2010-11, please advise on the following:

- (a) the details of the above plan, including the timetable, estimated manpower and resources involved;
- (b) concerning the management and keeping of government records, whether the needs and possibilities of keeping archival records have been considered. Did the Administration work with the Government Records Service to examine the above needs in connection with the plan? If so, the details; if not, the reason(s) for that?
- (c) whether a comprehensive management strategy will be formulated on information security and access to information under the plan so as to protect the personal privacy and right to information of the public. If so, the details; if not, the reason(s) for that?
- (d) the exchange between B/Ds and the Mainland authorities on the electronic information management strategies and the relevant framework under the plan.

Asked by: Hon. HO Sau-lan, Cyd

Reply: (a) Our aim is to take a strategic approach in effective information management through wider use of IT so that information can be created, stored, used, disseminated, retrieved and archived in a well managed manner and be readily available for day-to-day operational use, proper record keeping, knowledge sharing and decision support.

The Electronic Information Management (EIM) strategy will be formulated in two stages. The first stage, planned for completion by the third quarter of 2010, involves the development of the first wave departmental EIM strategies for 5 participating B/Ds, namely Communications and Technology Branch of the Commerce and Economic Development Bureau, Drainage Services Department, Legal Aid Department, Office of the Government Chief Information Officer (OGCIO) and Rating and Valuation Department. The second stage, planned for completion in the latter part of 2010, will develop an EIM framework for government-wide promulgation. We will then work with other B/Ds to develop and implement their own EIM strategies in line with the guidelines and best practices developed under the initial EIM strategy.

We have allocated a total of \$9.59 m under the Capital Works Reserve Fund Head 710 Computerisation Block Allocation to develop the first wave EIM strategy. The 5 participating B/Ds will seek funds for implementing their EIM initiatives in accordance with the recommended roadmap as appropriate. We will also coordinate

with other B/Ds on their EIM implementation with reference to the EIM framework delivered in the strategy study.

- (b) Records Management (RM) is an integral part of EIM. The Government Records Service is a key stakeholder of the first wave EIM strategy study providing input from RM perspective, including the need to keep proper records and to select those with archival value for permanent preservation. We expect that the EIM strategy will include recommendations relating to RM with reference to international best practices.
- (c) Managing access rights to information is also an integral part of EIM. The development of the first wave EIM Strategy will take into consideration the requirements of the Government Security Regulations and Personal Data (Privacy) Ordinance. The OGCIO has established IT security regulations and guidelines as well as assessment mechanisms, including Security Risk Assessment and Privacy Impact Assessment, for IT systems. It is also the Government's policy to facilitate public access to records and information that encourages better understanding of Government policies and operations. All the recommendations arising from the first wave EIM strategy study will comply with the related laws, regulations and guidelines and be conducive to access to information by the public. If other opportunities to enhance information security, data privacy and ease of access to information by the public are identified under the EIM study, then they will be pursued separately.
- (d) The EIM strategy is an important initiative undertaken in the context of implementing Hong Kong Special Administrative Region's Digital 21 Strategy. The Mainland authorities are not involved in the development of our EIM strategy and frameworks.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)093**

Question Serial No.

0719

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the revamped GovHK with new functionality and look-and-feel to be rolled out, please provide information on the rollout timetable for the new portal and the specific breakdown of expenditure.

Asked by: Hon. IP Kwok-him

Reply: The revamped GovHK will be launched by end March 2010 with breakdown of expenditure as follows:-

Tasks	\$ m
Professional service to improve portal usability and accessibility	1.03
Customer research to collect opinions of users on the new design	0.25
Total	1.28

Apart from the revamp, with a view to continuing our efforts to better meet the users' needs, we will progressively provide users with a more user-friendly and personalised experience in interacting with the Government starting from late 2010. We will provide personalised home page, e-alert, and easy sign-on function for users to access different online services via an integrated user account.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)094**

Question Serial No.

0722

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the efforts to start planning the next generation government communications infrastructure, please provide information on the specific timetable for the plan and the specific breakdown of expenditure involved.

Asked by: Hon. IP Kwok-him

Reply: Last year, the Office of the Government Chief Information Officer (OGCIO) completed a study to formulate the development strategy for the next generation communications infrastructure, taking into account business needs, industry and technology developments, and transitional arrangements based on the existing government network infrastructure (“the NGCI study”). The study concluded, among other things, that the Government should adopt a Unified Communications and Collaboration Services Strategy with phased implementation to enable the Government to cope with modern communications needs.

Towards the end of the NGCI study, OGCIO embarked upon an exercise to develop a pan-government IT strategy to facilitate the development of the next generation of public services. The relevant recommendations of the NGCI study will be included in this strategy, either as specific projects or further detailed studies on the longer term proposals. Estimates of expenditure arising from the strategy will be made around mid-2010 for consideration in the annual Resource Allocation Exercise,

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)095**

Question Serial No.

1248

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2009-10, the Administration has adopted a multi-pronged approach to enhancing IT security awareness in the Government. Has the Administration reviewed the effectiveness of the various measures taken?

Asked by: Hon. IP LAU Suk-ye, Regina

Reply: Our approach to enhancing IT security includes raising staff awareness and knowledge; reviewing information security regulations, policies and guidelines; checking compliance; and enhancing technical and procedural security measures.

During 2009-10, we promulgated updated versions of information security regulations, policies and guidelines to bureaux and departments (B/Ds). This followed a review to keep such regulations, policies and guidelines up-to-date with technology and business developments, relevant standards and best practices, and e-government service needs.

We also completed a centrally managed security audit exercise covering all B/Ds and will shortly complete a one-year staff awareness programme which aims to help Government staff build up and sustain a high level of awareness, working knowledge and good practices on information security and a commitment to safeguarding sensitive and personal data.

A general indicator of the overall effectiveness of our security enhancement measures is the number of data leakage incidents of B/Ds. This has decreased from 16 cases in 2008-09 to 5 in the first eleven months of 2009-10.

To measure the effectiveness of the education programme, we are conducting a staff survey to measure improvements in staff awareness of IT security requirements, and the commitment of staff to comply.

For the future, we will continue with awareness activities and with regular reviews of information security regulations, policies and guidelines. We are also reviewing the scope and timeliness of security compliance monitoring and auditing mechanisms to be adopted in future compliance checking exercises.

We will continue to implement appropriate technical and procedural measures to meet operational requirements and prevent identified security threats in order to keep in pace with emerging security threats and technology changes, so as to sustain a high information security posture for the Government.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)096**

Question Serial No.

1249

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

Programme: (3) IT in the Community

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2010-11, what specific measures will the Administration put in place to promote Hong Kong as a data centre hub? What are the manpower and expenditure involved?

Asked by: Hon. IP LAU Suk-ye, Regina

Reply: The Government fully supports the development of data centres in Hong Kong. This is in line with the Digital 21 Strategy of facilitating a digital economy, promoting advanced technology and innovation, developing Hong Kong as a hub for technological cooperation and trade, and building an inclusive, knowledge-based society.

InvestHK will continue to market the competitiveness of Hong Kong. It provides a one-stop service to assist overseas companies to pursue investment projects including the establishment of data centres in Hong Kong. Relevant government bureaux and departments including the Office of the Government Chief Information Office (OGCIO) will assist in the process. Marketing activities include meetings with potential data centre operators and end-users, in Hong Kong and overseas, and speaking at relevant forums.

OGCIO will commission an economic benefit study of data centre investments to Hong Kong to help evaluate the justification for more proactive facilitation actions in promoting data centre development.

The Administration will continue to closely monitor the market dynamics and developments.

It is estimated onestaff will be engaged within OGCIO and HK\$800,000 will be spent for the economic benefit study in 2010-11. Resources will also be deployed by InvestHK and other bureaux and departments in promoting HK as a data centre hub.

Name in block letters

Jeremy Godfrey

Post Title

Government Chief Information Officer

Date

16.3.2010



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

**CEDB(CT)097**

Question Serial No.

0555

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

Programme: (3) IT in the Community

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: For Programme (3), the estimated provision for 2010-11 is 49.9% lower than that for 2009-10. This is mainly due to the additional provision in 2009-10 for the campaign to educate Internet users on the safe and healthy use of the Internet. With \$64.3 m less in the expenditure, what impact will be generated on the improper use of the Internet, resulting in social and personal loss? How effective was the campaign funded by the provision in last year (2009-10)?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply: The Internet Education Campaign aims to promote the awareness and raise the knowledge and technical know-how of youngsters, their parents and teachers, on appropriate and safe use of the Internet, so as to foster a better Internet culture among children and youth, and guide their on-line behaviour in the day-to-day use of the Internet. The campaign will last until the Autumn of 2010 and some services of the campaign will be sustained beyond this date to support the ongoing effort of community organisations in promoting the appropriate and safe use of the Internet. The services to be sustained include the Family Support Centre, online resource portal, handbooks for parents, educational resources for teachers and social workers, etc. Furthermore, the Government is making preparation for a non-profit making organisation to collaborate with private service providers and community organisations to provide Internet learning opportunities to students in low-income families in need. This organisation will also provide education for parents and technical support to these families on appropriate and safe use of the Internet.

Since the campaign was launched in September 2009, 100 000 copies of a handbook for parents on Internet usage have been produced to provide parents with handy tips and guidance on Internet usage; over 300 community and school talks have been held attracting some 52 000 participants including students, parents, teachers and social workers; over 18 000 home visits have been conducted; and 18 800 family counseling sessions have been held, under the campaign. In the coming months, we will continue our efforts in various territory-wide promotions and a wide range of district and school activities for the campaign.

The overall effectiveness of the campaign will be evaluated after it is concluded.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)098**

Question Serial No.

2725

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

Programme: (2) IT Infrastructure and Standards

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the holding of the “Hong Kong Clean PC Day” campaign,

- (a) what are the details and objectives of the campaign?
- (b) what is the estimated expenditure involved?
- (c) how will the Administration evaluate the effectiveness of the campaign?

Asked by: Hon. PAN Pey-chyou

Reply: The “Hong Kong Clean PC Day” is an annual promotion campaign on information security jointly organised by the Office of the Government Chief Information Officer, Hong Kong Computer Emergency Response Team Coordination Centre and the Hong Kong Police Force since 2005. The aim is to raise public awareness on information security and build up citizens’ habit of protecting their computers against cyber attacks.

We use a variety of communication methods and channels to suit different target groups, which include thematic seminars on security, leaflets and posters, radio episodes, school visits and online competitions. The OGCIO expenditure in respect of this campaign is estimated to be \$140,000 in 2010-11.

The Hong Kong Clean PC Day events are well attended and received by the public. This is evidenced by the high subscription rate, full attendance and good ratings in respect of the post-seminar evaluation.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)099**

Question Serial No.

2726

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

Programme: (3) IT in the Community

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the implementation of the dedicated portal to provide one-stop information service on elderly services and the silver hair market,

- (a) what are the details of the plan? When will the portal be put into operation?
- (b) what is the estimated expenditure involved?
- (c) how will the Administration evaluate the effectiveness of the plan?

Asked by: Hon. PAN Pey-chyou

- Reply:
- (a) Announced in the 2009-10 Budget, the dedicated portal for the elderly (the Portal) aims to serve as the entry portal for the elderly, integrating information around their interests, such as those related to their daily lives, medical and health, housing and care, elder academy, social and recreational activities, as well as silver hair market information. The Portal also provides a discussion forum to build up social networking, thus enhancing their social inclusiveness and encouraging active and healthy ageing. Between June and July 2009, the Administration conducted an Expression of Interest exercise to openly invite proposals from interested organisations providing elderly-related services for developing the Portal. After due consideration of the proposals received, the Hong Kong Society for the Aged (SAGE) was selected as the lead organisation to take forward the initiative. The Portal is current under development by SAGE and is expected to be put into service starting from June 2010.
  - (b) Apart from the resources committed by SAGE, the Administration has provided a sponsorship of \$2.8 m to SAGE as seed funding to support the initial development of the Portal. The ongoing operation of the Portal will be funded by SAGE.
  - (c) An Advisory Committee chaired by one of SAGE's board of directors and comprising representatives from the Elderly Commission, elderly service professionals, information and communications technology professionals and the Government, has been established to steer and oversee the implementation and ongoing development of the Portal. The Portal development project is under the direct supervision of the Executive Director of SAGE. The Administration has also scheduled regular project coordination meeting with SAGE to review and monitor the project's progress. Furthermore, SAGE will conduct regular meetings with elderly services organisations and user representatives throughout the project to monitor the effectiveness of the Portal in terms of its design, features and contents.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)100**

Question Serial No.

0815

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

Programme: (2) IT Infrastructure and Standards

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the Voluntary Certification Authority Recognition Scheme, please advise on the following:

- (a) the specific work in 2010-11, and the details of expenditure and manpower to be allocated for that year;
- (b) whether targets have been set for the above scheme. If so, the mid-term and long-term targets; if not, the reason(s) for that?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) Under the Voluntary Certification Authority Recognition Scheme, in 2010-11, the Office of the Government Chief Information Officer (OGCIO) will continue to monitor recognised certification authorities' compliance with the relevant provisions of the Electronic Transactions Ordinance (Cap. 553) and the Code of Practice for Recognized Certification Authorities (Code of Practice), thus facilitating the adoption of the Public Key Infrastructure (PKI) in Hong Kong. Manpower equivalent to about one full-time person will be involved, and is absorbed within the resources allocated.
  - (b) In the long run, OGCIO will continue to monitor technology and market developments (including the study on private sector involvement in the provision of public Certification Authority services), in order to keep the PKI including the Code of Practice up-to-date, with a view to enhancing public confidence in conducting electronic transactions, facilitating the improvement in the ease of use of digital certificates by recognised certification authorities and encouraging their development of new applications and services.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)101**

Question Serial No.

0816

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

Programme: (2) IT Infrastructure and Standards

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the study on private sector involvement in the provision of public Certification Authority (“CA”) services, please advise on the following:

- (a) the current progress of the study and the expected date of completion;
- (b) whether the effectiveness of private sector involvement in the provision of public CA services has been assessed. If so, the details;
- (c) what follow-up plans does the Government have if it fails to engage private sector involvement?

Asked by: Hon. TAM Wai-ho Samson

Reply: With the continuing growth in the volume of on-line transactions and the increasing security threats to such on-line activities, the greater adoption of public key infrastructure (PKI) has potential to make a significant contribution towards enabling secure transactions at lower costs. The Government's intentions are to continue to encourage the development of the PKI including Voluntary Certification Authority Recognition to ensure integrity in electronic transactions, and to promote the ease of use and adoption of recognised digital certificates in Hong Kong. The Office of the Government Chief Information Officer is of the view that private sector involvement in the provision of CA services is essential to developing the digital certificates market to the point where there is a critical mass of certificate holders and parties who rely on certificates.

- (a) The Government is conducting a study on private sector involvement in the provision of public CA services. We are now at the stage of testing the interest of the private sector and the study is expected to complete in the second half of 2010.
- (b) The study will assess the effectiveness of the current mode of private sector involvement in the provision of public CA services as well as the potential effectiveness of alternative modes of engagement. The critical measure of effectiveness will be the extent to which the use of digital certificates has contributed or could contribute to the security of electronic transactions in Hong Kong.
- (c) The study will also develop follow-up plans to cope with the situation should the private sector not get involved.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)102**

Question Serial No.

0817

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

Programme: (3) IT in the Community

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the one-year territory-wide campaign to educate Internet users on the safe and healthy use of the Internet, please advise on the following:

- (a) whether the effectiveness of the above campaign has been assessed, and the difficulties encountered during implementation;
- (b) whether other campaigns will be launched in 2010-11 to continue to promote the healthy use of the Internet. If so, the details; if not, the reason(s) for that?
- (c) whether there are other arrangements for the IT Ambassadors upon the conclusion of the above campaign.

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) Since the campaign was launched in September 2009, 100 000 copies of a handbook for parents on Internet usage has been produced to provide parents with handy tips and guidance on Internet usage; over 300 community and school talks were held attracting some 52 000 audience including students, parents, teachers and social workers; over 18 000 home visits have been conducted; and 18 800 family counseling sessions have been held, under the campaign. In the coming months, we will continue our efforts in various territory-wide promotions and a wide range of district and school activities for the campaign.

We observed some difficulties in recruiting families for home visits at the beginning of the campaign; nevertheless, the number of home visits picked up very quickly in the past two months following increased public awareness about the campaign through various marketing activities. We also encountered some difficulties in scheduling school-based activities during our initial contact with schools because many schools had already scheduled co-curricular activities for the first half of the school year when the campaign was launched. However, given the great interest of schools in the campaign, many school-based activities have effectively been scheduled in the second half of the school year and progress in this aspect has improved.

The campaign will finish in the autumn of 2010; its effectiveness will be evaluated around that time.

- (b) Upon the conclusion of the campaign, some established services of the campaign will be sustained to support the ongoing effort of community organisations in promoting the appropriate and safe use of the Internet. These services include the Family Support Centre, online resource portal, handbooks for parents, educational resources for teachers and social workers, etc. Furthermore, the Government is making preparations for a non-profit making organisation to collaborate with private service providers and



community organisations to provide Internet learning opportunities to students in low-income families in need. This organisation will also provide education for parents and technical support to these families on appropriate and safe use of the Internet.

- (c) We have been working closely with the partner non-government organisations (NGOs) in the campaign to provide necessary training and on-the-job exposure to enhance both the hard and soft skills of the Internet Ambassadors with a view to facilitating their long-term career development and employment. Employment services such as career counselling, job matching, placement opportunities, etc. would be provided to the Internet Ambassadors through these partner NGOs upon the conclusion of the campaign. As advised by the partner NGOs, we envisage that some of the Internet Ambassadors will also be engaged for permanent services in these organisations after the campaign.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)103**

Question Serial No.

0818

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

Programme: (3) IT in the Community

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the Task Force on Industry Facilitation, please advise on the following:

- (a) the specific work of the Task Force in the past year (i.e. 2009-10), and the resources and manpower allocated;
- (b) whether the effectiveness of the work of the Task Force has been assessed and its work reviewed. If so, the details; if not, the reason(s) for that?

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) The Task Force on Industry Facilitation has convened three meetings since its inauguration in February 2009. It has identified the major sources of strength that distinguish Hong Kong from other economies, brainstormed the specific opportunities where Hong Kong can exploit its competitive advantages and discussed the possible measures for further facilitation of the identified opportunities. Based on the Task Force's suggestions, the Office of the Government Chief Information Officer is working out an action plan to facilitate various areas such as data centre development, collaborative information technology research and development with other economies, overseas trade promotion and market access to the Mainland. The required manpower resources of about 2 full time persons were met from within OGCIO and no additional resources have been provided.
  - (b) The progress of the Task Force as highlighted above has been reported to the Digital 21 Strategy Advisory Committee periodically. We have yet to review the effectiveness of the work of the Task Force since we are still working out an action plan based on the Task Force's suggestions.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)104**

Question Serial No.

0819

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

Programme: (3) IT in the Community

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the promotion of Hong Kong as a data centre hub, how much resources and manpower will be allocated for 2010-11? Will there be any policies to complement the promotion in 2010-11? It is noted that the Administration had commissioned a consultancy study on its development. What follow-up actions have been taken by the Administration?

Asked by: Hon. TAM Wai-ho Samson

Reply: The Government fully supports the development of data centres in Hong Kong. This is in line with the Digital 21 Strategy to facilitate a digital economy, promote advanced technology and innovation, develop Hong Kong as a hub for technological cooperation and trade, and build an inclusive, knowledge-based society.

InvestHK will continue to market the competitiveness of Hong Kong and provides a one-stop service to assist overseas companies to pursue investment projects including the establishment of data centres in Hong Kong. Relevant government bureaux and departments including the Office of the Government Chief Information Officer (OGCIO) will assist in the process. Marketing activities include meetings with potential data centre operators and end-users, in Hong Kong and overseas, and speaking at relevant forums.

OGCIO will commission an economic benefit study of data centre investments to Hong Kong to help evaluate the justification for more proactive facilitation actions in promoting data centre development.

The Administration will continue to closely monitor the market dynamics and developments.

It is estimated one staff will be engaged within OGCIO and HK\$800,000 will be spent for the economic benefit study in 2010-11. Resources will also be deployed by InvestHK and other bureaux and departments in promoting HK as a data centre hub.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)105**

Question Serial No.

0860

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

Programme: (3) IT in the Community

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the Government's effort to "monitor the implementation of IT Training Programme for small and medium sized enterprises (SMEs) to enhance the IT capabilities of the SMEs in various industry sectors", please advise on the following:

- (a) of the \$64.6 m estimated financial provision for this Programme, how much will be earmarked for the above initiative? How much manpower will be deployed?
- (b) are there any other measures and programmes to enhance the IT capabilities of the SMEs apart from the above initiative? If so, the details;
- (c) given the increasing activities in recent years, whether the Administration has provided training and technical support to local SMEs so that they can enhance their competitiveness through cybertrade. If so, the details; if not, the reasons(s) for that.

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) \$64.6 m is for various initiatives under the "IT in the Community" programme in 2010-11. In 2010-11, it is estimated that \$0.86 m will be used for IT Training Programme (ITTP) for SMEs. In 2008-09 and 2009-10, a total of \$5.99 m was spent for the ITTP. Three staff are involved in the ITTP and related programmes.
  - (b) In addition to the ITTP, the Government has launched 14 Sector-specific Programme (SSP) projects since 2004 to facilitate the SMEs to adopt IT. Sectors that have benefited from the SSP include medical and health, watches and clocks, trade, beauty service, social service and supply chain. The Office of the Government Chief Information Officer stands ready to provide appropriate form of support to worthwhile proposals from industry to promote the adoption of information and communications technology by SMEs in 2010-11.
  - (c) Through the SSP and ITTP, e-business awareness of the SME practitioners is being raised. Sectors that have benefited from the ITTP include travel agents, Chinese medicine practitioners, social enterprises, manufacturers, and general SMEs. Online commercial software and industry portals have also been developed to encourage e-business adoption by SMEs.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)106**

Question Serial No.

0861

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: It is noted that the Government has commenced the study on new developments in IT provision and usage like cloud computing, green information and communications technology, etc., within the Government. In this regard, please advise on the following:

- (a) the expenditure and manpower involved in the study in 2009-10; the estimated amount of financial provision and manpower to be allocated in 2010-11;
- (b) when will the above study be completed? Will the findings be made public? What is the next step after the completion of the study?

Asked by: Hon. TAM Wai-ho, Samson

Reply: In 2009-10, the Office of the Government Chief Information Officer (OGCIO) commenced a study to formulate a pan-government IT strategy to facilitate the development of the next generation of public services.

The study is carried out using existing manpower resources drawn from different expert areas of OGCIO. The findings and recommendations of this study will be made public via periodic reports on the Digital 21 Strategy and its strategic focus areas to the Legislative Council or through Government officials' speaking engagements in relevant industry events. The study is expected to be completed around the middle of 2010. Upon completion of the study, implementation proposals will be developed to facilitate forward resource and programme planning.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)107**

Question Serial No.

0862

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the provision of Government Electronic Trading Services (GETS), please advise on the following:

- (a) the expenditure and manpower involved in the study in 2009-10; the estimated financial provision and manpower to be allocated in 2010-11 and the comparison with the previous year;
- (b) the specific details on the provision of GETS for the new term to commence in 2010.

Asked by: Hon. TAM Wai-ho, Samson

- Reply:
- (a) In 2009-10, the Office of the Government Chief Information Officer provided IT professional advice to relevant bureau/departments for the new term of GETS. Manpower equivalent to two full-time persons was involved. No additional expenditure was incurred. The manpower has been absorbed within the existing resource. In 2010-11, we will continue to provide IT project management services for GETS and there will be no change in manpower involved. The manpower will continue to be absorbed within the existing resource.
  - (b) The new term of GETS commenced in 2010. We have implemented improvement measures which cover the standardisation and harmonisation of trade data as well as the enhancement of openness and interoperability of the IT infrastructure. In addition, the number of service providers has increased from two to three.

In 2010-11, we will continue to monitor the operation of related information platforms of the three service providers to ensure they fulfil the service level agreements in the new term of the GETS contracts. We will continue to manage and support the relevant Government backend systems including the application and technical infrastructure.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)108**

Question Serial No.

0863

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

Programme: (2) IT Infrastructure and Standards

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: The revised provision for 2009-10 is substantially lower than the original estimate by 35.6%. Please provide reason(s) for that. Which departments and projects are involved? How many staff are affected?

Asked by: Hon. TAM Wai-ho, Samson

Reply: The 2009-10 revised estimate under Programme 2 is \$26.1 m (35.6%) lower than the original estimate. This is due to the redeployment of resources between Programmes. About \$10 m was redeployed to Programme 1 for the development of myGovHK and about \$16 m to Programme 3 for facilitating the development of the information and communications technology industry and co-ordinating the setting up of a dedicated portal for the elderly.

As regards manpower, 12 staff have been redeployed from Programme 2 to Programme 1 for the myGovHK project.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)109**

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

Question Serial No.

1024

Programme:

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: The establishment of the Office of the Government Chief Information Officer (“OGCIO”) as at 31 March 2010 will be 635 permanent posts. No change in establishment is expected in 2010–11. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2010–11. In this regard, please advise on the following:

- (a) the respective permanent establishment and staffing strength of OGCI0 by rank and terms of appointment in 2009-10 and 2010-11; the longest, shortest and average period during which posts remain vacant.
- (b) the reasons for not increasing manpower in 2010-11. Assuming OGCI0’s staffing strength is less than its permanent establishment, how will the Administration ensure that the services provided and the staff morale will not be affected if no additional manpower is provided?
- (c) the estimated number of non-directorate posts to be created or deleted under delegated power by the Director of Bureau subject to certain conditions in 2010-11, and the ranks and terms of appointment involved.

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) The establishment and staffing strength of OGCI0 by rank and terms of appointment in 2009-10 (as at 28 February 2010) are at Annex. This provides a snapshot of the manpower landscape as at a certain date. As the actual strength figure is dependent on such factors as wastage through resignation and retirement, it is not possible to provide the same information for 2010-11.

On average, the period of vacancies falling vacant is 1 year and 2 months. Subsisting periods of individual vacancies are subject to posting changes centrally arranged by the grade management concerned and thus will vary from time to time.

- (b) The manpower projection of OGCI0 is made having regard to the human resource reviews and manpower profiling assessments conducted based on the IT planning model that most suits the operation of the department as well as the Government IT profession.

For the Analyst/Programmer (AP) grade which has been allowed to resume filling of vacancies/posts at the AP II level, there is prospect for increasing the manpower of the grade after completion of the open recruitment exercise scheduled in mid 2010-11. As the Computer Operator and Data Processor grades are still on the “Controlled “grade list, we will keep in view the manpower demand situation, and to consider, where appropriate, the options for filling of these vacancies.



Promotion or selection exercises that are conducted in various promotion ranks of the IT grades on an annual basis will help to boost the staff morale of grade members. The grade management is also embarking on a Change Management Programme for the IT profession to enhance grade members' skills and competencies so as to meet the needs of the Government's overall IT strategy as well as demands for IT services in bureaux and departments.

Apart from civil servants, the department also employs Non-Civil Service Contract staff and engages temporary IT staff via a term contract (commonly referred to as T-contract), where appropriate, to provide the necessary manpower.

- (c) Subject to certain conditions, the controlling officer may create or delete non-directorate posts under delegated authority as and when required to meet the current needs during the year. The plans for 2010-11 are yet to be finalised and no such concrete proposals are available now. However, based on the above and current indication, there will be no significant changes in the number of non-directorate permanent posts required to be established on a long-term basis in OGCIO in 2010-11 under the delegated authority of the controlling officer. Short-term or ad hoc requirements will also be met through temporary redeployment of existing manpower resources.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

**Establishment and Staffing Strength  
of the Office of the Government Chief Information Officer  
(as at 28 February 2010)**

<u>Rank</u>	<u>Establishment</u>	<u>Strength *</u>				
		PE	PT	AG	MM	Total
<b>Analyst/Programmer Grade</b>						
Deputy Director of Information Technology Services	1	1				1
Assistant Director of Information Technology Services	4	4				4
Chief Systems Manager	8	7				7
Senior Systems Manager	34	29				29
Systems Manager	69	65				65
Analyst/Programmer I	148	137				137
Analyst/Programmer II	46	39	3			42
<b>Sub-total</b>	<b>310</b>	<b>282</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>285</b>
<b>Computer Operator Grade</b>						
Computer Operation Manager	3	3				3
Assistant Computer Operation Manager	5	4				4
Senior Computer Operator	21	22				22
Computer Operator I	47	48				48
Computer Operator II/Student Computer Operator	38	27				27
<b>Sub-total</b>	<b>114</b>	<b>104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104</b>
<b>Data Processor Grade</b>						
Data Preparation Supervisor	4	3				3
Assistant Data Preparation Supervisor	5	2				2
Data Processor	54	51				51
<b>Sub-total</b>	<b>63</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>
<b>Other Grades (Including Executive Officer Grade, Training Officer Grade, Personal Secretary Grade, Management Services Officer Grade, Supplies Officer Grade, Treasury Accountant and Accounting Officer Grades, Clerical Grades, Typist Grade, Motor Driver Grade and Workman Grade, etc.)</b>						
<b>Sub-total</b>	<b>140</b>	<b>131</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>139</b>
<b>Total</b>	<b>627</b>	<b>573</b>	<b>7</b>	<b>3</b>	<b>1</b>	<b>584</b>

Terms of appointment

- PE : Permanent  
PT : Probationary  
AG : Agreement  
MM : Month-to-month

\* The strength of a rank represents the number of officers substantively appointed at that rank. It does not include officers occupying posts of the rank on an acting basis. For the Analyst/Programmer grade, the vacant posts at Systems Manager level or above were essentially filled by acting or doubling-up appointments.

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

**CEDB(CT)110**

Question Serial No.

1025

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the total value of work undertaken in the year and the total value of work outsourced in the year under this Programme, the revised estimate for 2009-10 is higher than the actual provision for 2008-09. Please provide the reason(s) for that as well as information on the types and quantity of work undertaken and outsourced in the year, and the costs and manpower involved in each project. For the total value of work undertaken in the year, the estimate for 2010-11 is higher than the revised estimate for 2009-10; for the total value of work outsourced in the year, the estimate for 2010-11 is, on the contrary, lower than the revised estimate for 2009-10. Please provide the reason(s) for that as well as information on the types and quantity of work undertaken and outsourced in the year, and the expenditure and manpower involved in each project.

Asked by: Hon. Tam Wai-ho, Samson

Reply: The revised estimate for the total value of work in 2009-10 of \$1,242.8 m is higher than the actual value in 2008-09 of \$951.2 m. It is mainly due to the increase in cashflow requirements of projects undertaken in 2009-10.

The number of projects and their value of work reflected in the revised estimate of 2009-10 are given below:

<b>Revised Estimate of 2009-10</b>	<b>No. of Projects Undertaken</b>	<b>No. of Projects Outsourced</b>	<b>Value of Work Undertaken (\$m)</b>	<b>Value of Work of Outsourced Project (\$m)</b>
Major Projects (each costing above \$10 m)	35	33	672.8	650.8
Block Allocation Projects (each costing above \$150,000 and not exceeding \$10 m)	515	468	570.0	523.0
<b>Total</b>	<b>550</b>	<b>501</b>	<b>1,242.8</b>	<b>1,173.8</b>

Details of the projects that were funded under the revised estimate of 2009-10 are given at Annex A.

The total value of work in 2010-11 of \$1,446.1 m is higher than that of 2009-10 of \$1,242.8 m. On the other hand, the estimated value of work of outsourced projects in 2010-11 of \$964.1 m, which is estimated based on two-thirds of the total value of work (\$1,446.1 m), is less than the revised estimate in 2009-10 of \$1,173.8 m. The “two-thirds” outsourcing ratio is our minimum

target for outsourcing, which was set when the outsourcing policy was first introduced in the context of the 1998 Digital 21 Strategy. In recent years, we have exceeded this target – e.g. in 2009-10 we estimate that the percentage will be around 94% and we expect a comparable proportion in 2010-11. In view of the very high levels of outsourcing being achieved, we will review the usefulness of setting a specific target for this measure in future.

The number of projects and their value of work reflected in the estimate of 2010-11 are given below:

<b>Estimate of 2010-11</b>	<b>No. of Projects Undertaken</b>	<b>No. of Projects Outsourced</b>	<b>Value of Work Undertaken (\$m)</b>	<b>Value of Work of Outsourced Project based on a minimum outsourcing level of two-thirds (\$m)</b>
Major Projects (each costing above \$10 m)	40	38	731.1	487.4
Block Allocation Projects (each costing above \$150,000 and not exceeding \$10 m)	580	528	715.0	476.7
<b>Total</b>	<b>620</b>	<b>566</b>	<b>1,446.1</b>	<b>964.1</b>

Details of the projects that will be funded under the estimate of 2010-11 are given at Annex B.

As for the manpower resources involved, they are either absorbed by the bureaux/departments concerned or included as part of the project cost estimates.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

### Details of Projects – Revised Estimate of 2009-10

Bureau /Department	Project	2009-10 Revised Estimate (\$m)
<i>Projects by outsourced approach</i>		
Census and Statistics Department	Computer equipment and services for the 2011 Population Census	12.368
Customs and Excise Department	Road Cargo System	46.088
Department of Health	Laboratory Information System	3.170
Fire Services Department	Implementation of an Integrated Licensing, Fire Safety and Prosecution System	0.800
Government Logistics Department	Replacement of procurement management system	24.468
Commerce and Economic Development Bureau	Electronic data interchange system	15.594
Education Bureau	Upgrading of the Web-based School Administration and Management System	8.050
Food and Health Bureau	Development of a territory-wide Electronic Health Record Sharing System	34.363
Office of the Government Chief Information Officer	Enhancing the e-Government infrastructure to support the new strategy for e-Government service delivery	18.579
Office of the Government Chief Information Officer	Implementation of the pilot e-Procurement programme	13.600
Office of the Government Chief Information Officer	Provision of WiFi wireless internet facilities at Government premises	42.390
Hong Kong Police Force	Replacement of the Criminal Intelligence Computer System and Enhanced Police Operational Nominal Index Computer System	0.605
Hong Kong Police Force	Computer Assisted Palmprint and Fingerprint Identification System	31.460
Hong Kong Police Force	Development of the Third Generation of Major Incident Investigation and Disaster Support System	0.598
Hong Kong Police Force	Redevelopment of the Personnel Information Communal System	0

<b>Bureau /Department</b>	<b>Project</b>	<b>2009-10 Revised Estimate (\$m)</b>
Immigration Department	Hong Kong Special Administrative Region Identity Card	10.007
Immigration Department	Implementation of phase I of the updated information systems strategy	15.419
Immigration Department	Implementation of phase II of the updated information systems strategy	25.996
Immigration Department	Computer systems at the new control point for the Hong Kong—Shenzhen Western Corridor	9.316
Immigration Department	Implementation of phase III of the updated information systems strategy	167.915
Immigration Department	Introduction of Biometric Hong Kong Special Administrative Region Passport and Strategic Enhancement of the Travel Document Information System	22.605
Immigration Department	Computer systems at the new control point for the Lok Ma Chau Terminus of the Sheung Shui to Lok Ma Chau Spur Line	7.741
Independent Commission Against Corruption	Integration and application of information technology in the New Headquarters Building of the Independent Commission Against Corruption	9.000
Lands Department	Replacement of Computerised Land Information System	20.500
Legal Aid Department	Implementation of information systems strategy study	0.100
Leisure and Cultural Services Department	Replacement of Library Automation System for the Hong Kong Public Libraries	2.000
Leisure and Cultural Services Department	Major upgrade of Multimedia Information System for the Hong Kong Public Libraries	1.936
Social Welfare Department	Implementation of information systems strategy, phase II	35.000
Social Welfare Department	Replacement of the Computerised Social Security System	0.250
Transport Department	Transport Information System	7.364
Transport Department	Replacement of the Vehicles and Drivers Licensing Integrated Data III System	3.500
Treasury	Replacement of the Government Financial Management Information System	51.000
Water Supplies Department	Implementation of the Customer Care and Billing System	9.000
(Block Allocation)	468 projects undertaken, each costing above \$150,000	523.000

<b>Bureau /Department</b>	<b>Project</b>	<b>2009 - 10 Revised Estimate (\$m)</b>
	and not exceeding \$10 m	
Subtotal		1,173.782
<b><i>Projects by in-house approach</i></b>		
Customs and Excise Department	Implementation of information system strategy projects	13.410
Customs and Excise Department	Technology refreshment of Air Cargo Clearance System	8.636
(Block allocation)	47 projects undertaken, each costing above \$150,000 and not exceeding \$10 m	47.000
Subtotal		69.046
Total		1,242.828



## Details of Projects – Estimates of 2010-11

<b>Bureau /Department</b>	<b>Project</b>	<b>2 0 1 0 - 1 1 Estimate (\$m)</b>
Census and Statistics Department	Computer equipment and services for the 2011 Population Census	37.736
Customs and Excise Department	Road Cargo System	69.996
Customs and Excise Department	Implementation of information system strategy projects	39.206
Customs and Excise Department	Technology refreshment of Air Cargo Clearance System	37.336
Department of Health	Laboratory Information System	8.400
Fire Services Department	Implementation of an Integrated Licensing, Fire Safety and Prosecution System	24.820
Government Logistics Department	Replacement of procurement management system	7.459
Commerce and Economic Development Bureau	Electronic data interchange system	8.450
Education Bureau	Upgrading of the Web-based School Administration and Management System	5.156
Food and Health Bureau	Development of a territory-wide Electronic Health Record Sharing System	149.076
Office of the Government Chief Information Officer	Enhancing the e-Government infrastructure to support the new strategy for e-Government service delivery	13.723
Office of the Government Chief Information Officer	Implementation of the pilot e-Procurement programme	20.430
Office of the Government Chief Information Officer	Provision of WiFi wireless internet facilities at Government premises	9.610
Hong Kong Police Force	Replacement of the Criminal Intelligence Computer System and Enhanced Police Operational Nominal Index Computer System	1.920
Hong Kong Police Force	Computer Assisted Palmprint and Fingerprint Identification System	0.408
Hong Kong Police Force	Development of the Third Generation of Major Incident	9.214

<b>Bureau /Department</b>	<b>Project</b>	<b>2 0 1 0 - 1 1 Estimate (\$m)</b>
	Investigation and Disaster Support System	
Hong Kong Police Force	Redevelopment of the Personnel Information Communal System	7.804
Hong Kong Police Force	Redevelopment of the Communal Information System	1.166
Hong Kong Police Force	Enhancement of the information technology infrastructure	0.109
Immigration Department	Hong Kong Special Administrative Region Identity Card	21.861
Immigration Department	Implementation of phase I of the updated information systems strategy	7.030
Immigration Department	Implementation of phase II of the updated information systems strategy	32.624
Immigration Department	Computer systems at the new control point for the Hong Kong—Shenzhen Western Corridor	15.335
Immigration Department	Implementation of phase III of the updated information systems strategy	42.690
Immigration Department	Introduction of Biometric Hong Kong Special Administrative Region Passport and Strategic Enhancement of the Travel Document Information System	5.000
Immigration Department	Computer systems at the new control point for the Lok Ma Chau Terminus of the Sheung Shui to Lok Ma Chau Spur Line	4.093
Independent Commission Against Corruption	Integration and application of information technology in the New Headquarters Building of the Independent Commission Against Corruption	15.000
Inland Revenue Department	Implementation of system infrastructure enhancement project	5.467
Lands Department	Replacement of Computerised Land Information System	14.181
Legal Aid Department	Implementation of information systems strategy study	0.171
Leisure and Cultural Services Department	Replacement of Library Automation System for the Hong Kong Public Libraries	14.000
Leisure and Cultural Services Department	Major upgrade of Multimedia Information System for the Hong Kong Public Libraries	2.002
Social Welfare Department	Implementation of information systems strategy, phase II	65.000
Social Welfare Department	Replacement of the Computerised Social Security System	2.845
Student Financial	Implementation of the Integrated Student Financial Assistance	0.410

<b>Bureau /Department</b>	<b>Project</b>	<b>2 0 1 0 - 1 1 Estimate (\$m)</b>
Assistance Agency	System	
Transport Department	Transport Information System	3.022
Transport Department	Replacement of the Vehicles and Drivers Licensing Integrated Data III System	7.857
Transport Department	Provision of Traffic and Incident Management System	3.000
Treasury	Replacement of the Government Financial Management Information System	15.564
Water Supplies Department	Implementation of the Customer Care and Billing System	1.937
(Block Allocation)	580 projects to be undertaken, each costing above \$150,000 and not exceeding \$10 m	715.000
(a) Total		1,446.108
(b) Assuming a minimum outsourcing target of two-thirds of the projects in 2010-11 [(a) x 2/3]		964.072 say, 964.1

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

**CEDB(CT)111**

Question Serial No.

2681

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the performance in respect of the use of information technology (“IT”) in the Government, please advise:

- (a) According to the results of post-implementation departmental returns on completed IT projects, only 47.5% of the projects were actually completed on schedule in 2009, which is less than the estimated 60%. What are the main reasons for that? Throughout the project implementation process, in which stage(s) did problems or difficulties easily arise and hinder the timely completion of the projects? Which departments and what projects are involved?
- (b) On what grounds did the Administration estimate that 50% of the projects would be completed on schedule in 2010? Is this estimated indicator justified? Has the Administration been affected by the actual number of projects completed on schedule in 2009 when preparing this relatively conservative estimated indicator?
- (c) Whether the Administration will conduct a comprehensive review on the implementation of the IT projects. If so, the details and implementation timetable; if not, the reason(s) for that?
- (d) What measures are in place to speed up the implementation of the IT projects? What are the expenditure and manpower involved?

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) According to the Post-implementation Departmental Returns submitted by bureaux and departments (B/Ds), there were 52 projects under the purview of 33 B/Ds that could not be completed on schedule. Details of these projects are at the Annex. The major reasons for delays provided by B/Ds were :

- (i) longer than expected time in finalising user requirements in order to address changed business requirements; and
- (ii) delays in :
  - site preparation
  - procurement of services / products
  - finalising system design
  - handling technical problems encountered during implementation; and
  - provision of acceptable deliverables by contractor.

In over 70% of cases, the project delay was less than six months.

- (b) The Office of the Government Chief Information Officer (OGCIO) introduced an enhanced project governance mechanism in April 2006 to strengthen the monitoring of Government IT projects.

Since the introduction of the enhanced project governance mechanism, the percentage of projects completed on schedule has gradually increased from 41.4% in 2007 to 43.2% in 2008 and further to 47.5% in 2009. At this stage, we consider that 50% is our best estimate for the likely outturns from projects that will be completed in 2010.

- (c) We have recently conducted a further review of the project governance mechanism and have developed best practice guides on project management for B/Ds to use. One important feature of these guides is that they cover all phases of the project cycle, rather than just the implementation stage. Training programmes will be arranged to help B/Ds to adopt the best practices, and we will fine-tune the guides in the light of experience over a six-month period commencing in April 2010. B/Ds will be required to adopt the best practices for all new IT projects starting from the end of 2010. With the adoption of the best practices, we expect the proportion of projects completed on schedule will further improve. However the full impact will be felt only when all projects commenced prior to 2010 have been completed, which may take several years.
- (d) In the coming year, we will continue to design and implement new processes, tools, governance and sourcing arrangements for IT projects, which will contribute to the speedier delivery of projects. We have budgeted \$6.93 m under the Capital Works Reserve Fund Head 710 Computerisation Block Allocation for this purpose.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

## Annex

### List of Projects with Completion Date Later Than Expected

	<b>Project Title</b>	<b>Bureau / Department</b>
1	Acquisition of a total of 2 sets of mobile Face Recognition System (FACES) for Harbour Control Section of Harbour Division and its associated enhancement on security set-up of FACES	Immigration Department
2	Adopting Customer Relationship Management on the Central Cyber Government Office Portal	Office of the Government Chief Information Officer
3	Central Policy Unit Government Office Automation Local Area Network (LAN) Upgrade	Central Policy Unit
4	Communication Network Links Upgrade for Headquarters and District Offices/Remote Offices/Sub-Offices of Home Affairs Department	Home Affairs Department
5	Computer System for the Youth Employment Resource Centre	Labour Department
6	Development of a New Application for Central Domestic Violence Database	Hong Kong Police Force
7	Development of Common Metadata Standard, Archive Policy and Process	Radio Television Hong Kong
8	Disaster Recovery for Lotus Notes	Marine Department
9	Electronic filing system for the Estates Unit, a new office for delivery of estate-related public services following the abolition of estate duty	Home Affairs Department
10	Enhancement of Chief Secretary for Administration's Office LAN	Administration Wing
11	Enhancement of Computerised Communication Facilities in Emergency Monitoring and Support Centre	Security Bureau
12	Enhancement of Contractor Performance Assessment System	Architectural Services Department
13	Enhancement of Government Office Automation Facilities in Government Property Agency	Government Property Agency
14	Enhancement to Transport Department's Vehicles and Drivers Licensing Integrated Data System IV to implement the improvement measures in response to Public Accounts Committee Report on the issue of distress/non-payment warrants to defaulters of fixed penalty fines in respect of traffic offences	Financial Services and the Treasury Bureau
15	Enhancements for Media Research Sub-division 's Media Database	Information Services Department
16	Enhancing the development platform for the Central Internet Services	Office of the Government Chief Information Officer

	<b>Project Title</b>	<b>Bureau / Department</b>
17	Establishment of Confidential Mobile Wireless Data System	Hong Kong Police Force
18	Feasibility Study on the Upgrade of the Work Management System	Department of Justice
19	Implementation of an enhanced Simplified Chinese Conversion services of Central Internet Services	Office of the Government Chief Information Officer
20	Implementation of IT Security Measures and Security Audit for the Independent Police Complaints Council Secretariat	Independent Police Complaints Council
21	Implementation of IT Security Measures for the Auxiliary Medical Service	Auxiliary Medical Service
22	Implementation of Security Patch Management and Software Asset Management System	Fire Services Department
23	Information Technology Security Risk Assessment and audit for Integrated Call Centres	Efficiency Unit
24	Information Technology Security Risk Assessment and audit for the New Integrated Call Centres System	Efficiency Unit
25	IT Security Risk Assessment and Audit for Government Records Service	Chief Secretary for Administration's Office
26	Lotus Notes Upgrade for the Audit Commission	Audit Commission
27	Lotus Notes/Domino R6.5 Upgrade for Environmental Protection Department	Environmental Protection Department
28	Migration and Setting up of IT Systems for the Reorganisation of the Commerce and Industry Branch, Commerce, Industry and Technology Bureau	Commerce and Economic Development Bureau
29	Office Automation Server Room Expansion of Transport Department	Transport Department
30	Organ Donation Registry	Department of Health
31	Phase I - Replacement of Local Employment Service System	Labour Department
32	Procurement of a custom-built computer system and software for disaster/incident management training	Fire Services Department
33	Provision of Resilience to Ensure High Availability of Home Affairs Department's Departmental Portal	Home Affairs Department
34	Remote Access to Confidential Mail for the Security Bureau	Security Bureau
35	Remote Broadband Access Infrastructure for Home Affairs Bureau	Home Affairs Bureau
36	Replacement of Barcode Scanners and Time Ticketing Facilities for the Computerised Social Security System	Social Welfare Department

	<b>Project Title</b>	<b>Bureau / Department</b>
37	Replacement of Existing Computer File Server in Energy Efficiency Office	Electrical and Mechanical Services Department
38	Replacement of the Register of Quarters System	Census and Statistics Department
39	Re-provision of Common Fax Services	Information Services Department
40	Resource & Cost Management System Upgrade	Radio Television Hong Kong
41	Sample Information Management System Extension	Government Laboratory
42	Security Risk Assessment and Audit for Critical and Major Systems / Facilities in Office of the Government Chief Information Officer	Office of the Government Chief Information Officer
43	Setup a resilient server for the Patient Registration and Application System	Department of Health
44	To develop and implement the Transport Support Scheme System for the Labour Department	Labour Department
45	Upgrade of Departmental Portal	Architectural Services Department
46	Upgrade of Hardware and Software for Departmental Portal	Home Affairs Department
47	Upgrade of Home Affairs Bureau's Departmental Portal	Home Affairs Bureau
48	Upgrade of Lotus Notes for Customs and Excise Department	Customs and Excise Department
49	Upgrade of Network Equipment	Office of the Government Chief Information Officer
50	Upgrading Confidential Mail System	Financial Services and the Treasury Bureau
51	Upgrading of Lotus Notes/Domino and Confidential Mail Solution for the Government Flying Service	Government Flying Service
52	Upgrading of Obsolete Servers for the Student Financial Assistance Management System and Financial Assistance Scheme for Post-secondary Students	Student Financial Assistance Agency



Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)112**

Question Serial No.

2682

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the usage and future development of the “GovHK”, please inform:

- (a) the daily average number of visits and page views since the establishment of the portal.
- (b) whether a comprehensive review will be conducted on its services, operational effectiveness and public satisfaction. If so, the earliest time to conduct such review, and the costs and manpower involved; if not, the reason(s) for that?
- (c) what is the earliest time to roll out the revamped portal? What additional content and new features are involved?
- (d) whether e-engagement has been taken into account during portal revamping. If so, the details; if not, the reason(s) for that?
- (e) what are the costs and manpower involved for portal revamping?
- (f) what measures are in place to enhance public usage of the services provided by the portal?

Asked by: Hon. TAM Wai-ho Samson

Reply: (a) Since the establishment of GovHK, the daily average visits and the daily average page views in the past 4 years are tabulated below:

Year	Daily average visits	Daily average page views
2006-07 (Sep 06 – Mar 07)	6 200	29 000
2007-08 (Apr 07 – Mar 08)	20 800	207 000
2008-09 (Apr 08 – Mar 09)	22 300	477 000
2009-10 (Apr 09 – Feb 10)	25 700	567 400

- (b) Since the official launch of GovHK in 2007, we have kept monitor closely the use of the portal with a view to evaluating its effectiveness in satisfying users' needs. Regular customer research has been conducted to keep abreast of the needs and expectations of users and identify potential areas for improvement. According to the latest customer satisfaction survey conducted in end 2009 by an independent professional company,

83% of the respondents were aware of GovHK; 85% were satisfied or liked GovHK; 94% expressed that they would use GovHK in the future; and 73% would recommend GovHK to others. The cost of the annual survey in 2009 is around HK\$400,000 and existing staff have been deployed to oversee the work.

(c) The revamped GovHK will be launched by end March 2010 with the following new content and features:

- Enhanced Portal Navigation to improve usability
- Sharing of Content through Social Networking Media
- Availability of a Mobile / Accessible Version
- Other feature enhancement, e.g. choice of personalized colour schemes and the addition of a photo gallery to make GovHK more lively

Apart from the revamp, with a view to continuing our efforts to better meet the users' needs, we will progressively provide users with a more user-friendly and personalised experience to interact with the Government starting from late 2010. We will provide personalised home page, e-alert, and easy sign-on function for users to access different online services via an integrated user account.

(d) We are considering incorporating appropriate e-engagement elements in the future development of GovHK. As a starting point, we sought users' views on mobile government services via a survey on the GovHK portal from November 2009 to January 2010. Meanwhile, we are also studying overseas practices on public engagement using social media tools, including their platforms and format, and we will draw reference from them where applicable.

(e) The cost involved for the GovHK revamp is \$1.28 m and existing staff have been deployed to support the GovHK portal revamping.

(f) With a view to boosting the usage of GovHK, we have introduced appropriate marketing and community programmes throughout the year, including carrying out online advertising and campaigns, organising multimedia content competitions and participating in leading industry awards.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)113**

Question Serial No.

2683

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the enhancement of citizen participation in public services and interaction between the Government and citizens, please inform:

- (a) the specific contents of the pilot schemes and other initiatives to be launched, the costs and manpower involved as well as the implementation timetables.
- (b) whether the Government will conduct a comprehensive review on various aspects such as existing channels and effectiveness of collecting information and public opinion through the Internet and using information technology to enhance citizen participation in public services. If so, the details; if not, the reason(s) for that?
- (c) what measures are in place to further enhance citizen participation in public services and interaction between the Government and citizens so that the Government can collect the voices and opinions of the public more effectively? Are any of these measures involved with the use of information technology? If so, the details; if not, the reason(s) for that?

Asked by: Hon. TAM Wai-ho Samson

Reply: Social media such as Facebook and Twitter are rising in popularity, and have the potential to be an important channel for engagement with youths. The Office of the Government Chief Information Officer keeps in view the development of social media platforms, and briefs senior Government officials about how these platforms are used by the public in Hong Kong and by other Governments. Currently, 6 political appointees have opened a Facebook account to engage the public. Different bureaux and departments, as well as individual Government officials, have conducted a wide variety of e-engagement activities on different policy initiatives from time to time, e.g. online surveys, writing blogs, collecting feedback through Facebook, participating in live web chats, hosting dedicated websites and/or discussion forums to consult the public on specific issues, exchanging emails with the public and webcasting etc.

Bureaux and departments will continue to review their public engagement strategies, including the use of e-engagement tools. To facilitate this, we are studying overseas practices on public engagement using social media tools, including their platforms and format. We will draw reference from these practices as applicable. The resource implications can be absorbed using existing resources and staff. We will constantly review the need for public engagement using social media and accord necessary resources for the purpose in due course.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)114**

Question Serial No.

2684

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the implementation of the initiatives initiated by the Task Force on E-government Service Delivery (EGTF) to enable the Government to provide people with services they need in an efficient, convenient manner by using information and communication technology (ICT) appropriately, please inform:

- (a) what are the specific initiatives involved? What are the costs and manpower required and the implementation timetable for each initiative?
- (b) whether a comprehensive review will be conducted on various aspects (e.g. effectiveness and service coverage) of using ICT by the Government to provide the public with information and services they need. If so, the details; if not, the reason(s) for that?

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) The Task Force on EGTF serves as an ideas generation platform to help the Government formulate strategies and initiatives to enable it to provide people with the services they need in an efficient, convenient manner by using ICT appropriately. Members of the EGTF include key industry stakeholders, academics specialising in the ICT area and the private sector, who provide their professional and expert advice on e-Government and ICT related issues.

For example, taking into account the advice from EGTF, the revamped GovHK will be launched by end March 2010 and the personalised portal (i.e. MyGovHK) will be launched later this year. For the mobile development to facilitate public service delivery, we will evaluate appropriate public delivery models and the resources implications as suggested by the EGTF. To engage the public, we will keep ourselves up-to-date on the latest technological and international developments and encourage bureaux and departments to look into the possibility of better engaging the public using web 2.0 technologies.

- (b) We consider that we can best plan enhancements in the use of ICT by the Government to provide the public with information and services by driving continuous improvement in existing services, complemented by specific studies into new services and into architectural issues. This approach enables us to learn from experience and leads to faster improvements than conducting periodic comprehensive reviews. For instance, we completed a study to formulate the development strategy for the next generation communications infrastructure (the NGCI study) in 2009-10. The study concluded, among other things, that the Government should adopt a Unified Communications and Collaboration Services Strategy with phased implementation to enable the Government to cope with modern communications needs. We are now conducting an exercise to develop a pan-government IT strategy to facilitate the

development of the next generation of public services, which is expected to be completed around the middle of 2010.

We will regularly seek advice from the EGTF to ensure that we focus our effort on the most important improvement areas.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)115**

Question Serial No.

2685

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Office of the Government Chief Information Officer (“OGCIO”) will collaborate with bureaux/departments concerned to review the outcome of the pilot e-procurement programme. In this regard, please inform:

- (a) the bureaux or departments to be involved in the review as well as the implementation timetable.
- (b) the number of procurement items completed and the amount of money involved under the pilot programme in the past year (i.e. 2009-10).
- (c) OGCI0’s initial assessment of the outcome of the pilot programme and the difficulties encountered in the implementation of the pilot programme.
- (d) whether OGCI0 will introduce some improvement measures before the completion of the review. If so, the details; if not, the reason(s) for that?

Asked by: Hon. TAM Wai-ho Samson

- Reply:
- (a) The pilot e-Procurement Programme is being rolled out progressively to the OGCI0, the Immigration Department and the Environmental Protection Department in the first half of 2010. We will collaborate with the three pilot departments in consultation with the Financial Services and the Treasury Bureau, the Government Logistics Department and the Efficiency Unit to review the outcome in the latter part of 2010 and propose the way forward.
  - (b) Over the past year, we have been progressively rolling out the e-catalogue, workflow and e-sourcing functions to the three pilot departments and their suppliers. As of 4 March 2010, the pilot departments have issued 4 362 purchase orders at a total value of about \$244 m through the e-procurement system.
  - (c) Suppliers are generally supportive of the pilot programme. As at 24 February 2010, among the 3 410 suppliers which replied to our supplier profile update exercise, 2 567 suppliers (75.28%) have opted to register for the pilot programme. Among the registered suppliers, 1 907 suppliers (74.29%) have responded to our survey indicating that doing business through Internet can enhance their effectiveness and efficiency. In general, they consider that the scheme also facilitates them to reach out the pilot departments for business more conveniently.

The pilot programme is a major information technology-enabled change initiative. A comprehensive change programme including seminars, workshops and training has been undertaken to guide and support Government users and suppliers in adopting the e-Procurement initiatives.

- (d) Improvement measures will be considered during the post-implementation departmental review of the pilot programme which will be completed in the latter part of 2010.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010



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

**CEDB(CT)116**

Question Serial No.

2686

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the implementation of electronic information management, please advise on the following:

- (a) the total number of stages for implementing electronic information management strategies, the implementation timetable, the bureaux or departments and the costs and manpower involved at each stage.
- (b) the specific details of the Government's current efforts on implementing electronic information management and developing the relevant performance indicators.
- (c) whether all bureaux or departments have rolled out electronic information management. If so, which of the bureaux or departments have achieved the highest effectiveness and which have the lowest? What follow-up actions will be taken?
- (d) whether a comprehensive review will be conducted on electronic information management. If so, the details; if not, the reason(s) for that?

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) The Electronic Information Management (EIM) strategy will be formulated in two stages. The first stage, planned for completion by the third quarter of 2010, involves the development of the first wave departmental EIM strategies for 5 participating bureaux/departments (B/Ds), namely Communications and Technology Branch of the Commerce and Economic Development Bureau, Drainage Services Department, Legal Aid Department, Office of the Government Chief Information Officer (OGCIO) and Rating and Valuation Department. The second stage, planned for completion in the latter part of 2010, will develop an EIM framework for government-wide promulgation. We will then work with other B/Ds to develop and implement their own EIM strategies in line with the guidelines and best practices developed under the initial EIM strategy.

We have allocated a total of \$9.59 million under the Capital Works Reserve Fund Head 710 Computerisation Block Allocation for developing the first wave EIM strategy. The 5 participating B/Ds will seek funds for implementing their EIM initiatives in accordance with the recommended roadmap as appropriate. We will also coordinate with other B/Ds on their EIM implementation with reference to the EIM framework delivered in the strategy study.

- (b) Before the formulation of formal EIM strategies, B/Ds are using both electronic and other means to manage information and records in the course of their business. When they have formulated their EIM strategies, they will be developing or adopting systems that would help them manage information in a secure and holistic way. They will also set performance indicators commensurate with the business flows and performance

targets of their business and record preservation requirements. Some of these requirements may be based on international record keeping standards.

- (c) Not all B/Ds have rolled out EIM initiatives. Hence the current effort in developing EIM strategies that would help them manage information in a secure and holistic way. That said, some B/Ds have implemented document management systems and workflow systems that suit particular business areas. These will be assessed in the course of their formulation of EIM strategies for the future.
- (d) We have reviewed the Government's need for EIM from a number of angles, including public demand for transparency and timeliness of information, workflow and collaborative working requirements, record keeping policies, standards and procedures, international practices, and technology changes that in turn drive up the need for EIM. These reviews have culminated in the current initiative to develop EIM strategies for the first wave B/Ds and later on the rest of the Government.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)117**

Question Serial No.

2687

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the implementation of IT projects, the planning and development of IT projects for bureaux or departments, please advise on the following:

- (a) the number of bureaux and departments (B/Ds) that have already set up an Information Technology Management Unit (“ITMU”) and their percentage in the total number of government departments. Please list the respective 10 bureaux or departments with the largest and smallest number of ITMU staff, broken down by staffing establishment and staffing strength.
- (b) given some B/Ds have yet to set up an ITMU, will the Administration help them set up their own ITMU on gradual basis? If so, the implementation timetable and the number of additional staff involved in each of the B/Ds concerned; if not, the reason(s) for that?
- (c) whether a comprehensive review will be conducted on the operation and effectiveness of ITMU. If so, the details and the implementation timetable; if not, the reasons(s) for that?

Asked by: Hon. TAM Wai-ho, Samson

Reply: (a) Individual ITMUs have been set up for 10 Bureaux and 56 Departments. This represents 88% of the total number of bureaux/departments in the Government. Communal ITMUs serve the remaining bureaux/departments.

The 10 B/Ds with the largest and smallest IT staff are shown below.

List of Top Ten B/Ds with Largest No. of IT Staff

B/Ds	Civil Service IT Staff		Contract IT staff	Total IT staff
	Establishment	Strength		
Housing Department	52	49	195	247
Hong Kong Police Force	110	106	120	230
Immigration Department	119	115	62	181
Education Bureau	16	16	158	174
Electrical and Mechanical Services Department	1	1	140	141
Customs and Excise Department	52	50	88	140
Inland Revenue	73	71	41	114

Department				
Leisure and Cultural Services Department	21	20	85	106
Department of Health	9	9	86	95
Treasury	52	48	42	94

List of Top Ten B/Ds with Smallest No. of IT Staff

B/Ds	Civil Service IT Staff		Contract IT staff	Total IT staff
	Establishment	Strength		
University Grants Committee	1	1	0	1
Intellectual Property Department	1	1	0	1
Chief Secretary for Administration's Office (Administration Wing)	2	1	0	2
Transport and Housing Bureau	1	1	3	4
Official Receiver's Office	2	2	2	4
Labour and Welfare Bureau	2	2	4	6
Highways Department	2	2	4	6
Food and Health Bureau	5	5	2	7
Civil Engineering and Development Department	1	1	8	9
Civil Aviation Department	1	1	9	10

- (b) For those B/Ds which have not yet set up ITMUs, the Office of the Government Chief Information Officer (OGCIO) has been providing IT advice and support to them centrally, through a communal ITMU arrangement using pooled resources. Most of these B/Ds are either too small or lack the management structure to justify a dedicated ITMU, or whose businesses do not lend themselves to major IT usage. OGCIO has an ongoing arrangement whereby it will review with the B/Ds the need and timing for setting up dedicated ITMUs based on their business plans and projected IT requirements.
- (c) The starting premise of establishing ITMUs is to more closely integrate the IT ownership, management and advisory functions with the overall management in B/Ds, to better support their policy formulation and implementation processes. In general, feedback from B/Ds is that the ITMU mechanism has been achieving these objectives.

We continually refine the respective roles and modes of operation of ITMUs and OGCIO in the light of evolving needs. In line with the recommendations of the IT Manpower Review, which was completed in 2009-10, we have been fine-tuning the way ITMUs provide strategic advice, manage business transformation and manage IT operations. We also continue to review each ITMU setup to ensure that it has the

appropriate number of staff, with the right mix and level of skills, to assure the quality of all its IT activities.

We have recently embarked on a pan-Government IT study which will address, amongst other things, IT governance, the role of centrally provided infrastructure, applications and services and the implications for IT professionals. As appropriate, we will refine the way ITMUs operate in the light of the outcome of these aspects in the pan-Government IT strategy.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)118**

Question Serial No.

2986

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: The Office of the Government Chief Information Officer will collaborate with the Lands Department and various bureaux/departments in the delivery of geo-spatial information to the public through GovHK. Which bureaux and departments will be involved? What are the specific content of the information? Will there be charges for the service? If so, the level of charges; and whether fee waiver mechanism will be adopted. What is the earliest time to roll out the service?

Asked by: Hon. TAM Wai-ho, Samson

Reply: In collaboration with the Lands Department, we plan to provide geospatial information to the public through GovHK. Geospatial information such as walks and trails, mobile network coverage in country parks, location of government offices, schools, libraries, leisure, cultural and sports facilities, hospitals from 16 Bureaux/Departments and related organisations will be included. The parties involved include the Agriculture, Fisheries and Conservation Department, the Department of Health, the Education Bureau, the Environmental Protection Department, the Food and Environmental Hygiene Department, the Hongkong Post, the Home Affairs Department, the Hospital Authority, the Immigration Department, the Leisure and Cultural Services Department, the Labour Department, the Office of the Government Chief Information Officer, the Office of the Telecommunications Authority, the Transport Department, the Social Welfare Department, and the University Grants Committee Secretariat.

We will adopt an incremental approach in rolling out the geospatial information on GovHK starting from the first quarter of 2010-11. The information will be provided free of charge to the public.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)119**

Question Serial No.

2879

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

Programme: (1) Use of IT in Government

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: According to the post-implementation departmental returns on completed IT projects, the percentage of projects completed on schedule has been lower than 50% from 2008 to 2009. Does the Office of the Government Chief Information Officer (OGCIO) have any measures to improve the situation?

Asked by: Hon. TONG Ka-wah, Ronny

Reply: The OGCIO introduced an enhanced project governance mechanism in April 2006 to strengthen the monitoring and governance of Government IT projects. Since then, the percentage of projects completed on schedule has gradually increased from 41.4% in 2007 to 43.2% in 2008 and further to 47.5% in 2009. We have recently conducted a further review of the project governance mechanism and have developed best practice guides on project management for bureaux and departments (B/Ds) to use. One important feature of these guides is that they cover all phases of the project cycle, rather than just the implementation stage. Training programmes will be arranged to help B/Ds to adopt the best practices, and we will fine-tune the guides in the light of experience over a six-month period commencing in April 2010. B/Ds will be required to adopt the best practices for all new IT projects starting from the end of 2010. With the adoption of the best practices, we expect the proportion of projects completed on schedule will further improve. However the full impact will be felt only when all projects commenced prior to 2010 have been completed, which may take several years.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)120**

Question Serial No.

2880

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

Programme: (2) IT Infrastructure and Standards

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Only the total expenditure is stated in the Estimate. Please provide detailed information on the uses (e.g. salary, purchase of equipment) for the expenditure.

Asked by: Hon. TONG Ka-wah, Ronny

Reply: The provision for Programme 2 includes civil servants' salaries and allowances of \$23.8 m and departmental expenses of \$23.4 m which comprises hire of services and professional fees, maintenance and procurement of hardware and software equipment and general departmental expenses but excludes any equipment purchase over \$150,000.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010



Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)121**

Question Serial No.

2881

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

Programme: (3) IT in the Community

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Only the total expenditure is stated in the Estimate. Please provide detailed information on the uses (e.g. salary, purchase of equipment) for the expenditure.

Asked by: Hon. TONG Ka-wah, Ronny

Reply: The provision for Programme 3 includes civil servants' salaries and allowances of \$30.2 m and departmental expenses of \$34.4 m which comprises hire of services and professional fees, maintenance and procurement of hardware and software equipment and general departmental expenses but excludes any equipment purchase over \$150,000.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

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

**CEDB(CT)122**

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

Question Serial No.

2219

Programme:

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide information on the procurement of services from employment agencies:

- (a) The number of contracts for employment agencies;
- (b) The contract sum for each employment agency and their service period;
- (c) The number of agency workers and the duties of these workers;
- (d) Details on the workers' wages offered by each agency. If monthly salary is offered, what is the salary range? If salary is paid on daily or hourly rate, what is the salary range?
- (e) Please state the number and the rate of change in each of the following year in respect of items a, b, c and d:

	2010-11	2009-10	2008-09	2007-08
Number of employment agencies	( )	( )	( )	( )
Total contract sum for employment agencies	( )	( )	( )	( )
Service period of employment agencies (average)	( )	( )	( )	( )
Total number of agency workers	( )	( )	( )	( )
Workers' wages offered by agencies (highest, median, lowest)	Highest ( )	Highest ( )	Highest ( )	Highest ( )
	Median ( )	Median ( )	Median ( )	Median ( )
	Lowest ( )	Lowest ( )	Lowest ( )	Lowest ( )

*Figures in ( ) denote the rate of change*

- (f) The percentage of the number of agency workers against the current number of departmental staff;
- (g) The percentage of the expenditure on procurement of services from employment agencies against the departmental expenditure.

Asked by: Hon. WONG Kwok-hing

Reply: Information requested in items (a) to (g) in respect of procurement of services from employment agencies and contractor for supply of professional IT staff services (commonly referred to as T-contracts) to work in the Office of the Government Chief Information Officer (OGCIO) is listed in the table below -

	Type of Contract	2009-10 (as at 30 September 2009) <i>(see Note 4)</i>	2008-09 (as at 31 March 2009)	2007-08 (as at 31 March 2008)
<b>(a) &amp; (e) Number of contracts for employment agencies</b>	General	2	1 (-)	-
	T-contract	10	10 (0%)	10
<b>(b) &amp; (e) Contract sum for each employment agency</b>	General	\$0.05 m to \$0.14 m	\$0.04 m (-)	-
	T-contract	\$0.26 m to \$14.85 m	\$0.48 m (+4.35 %) to \$22.79 m (+15.45%)	\$0.46 m to \$19.74 m
<b>(b) &amp; (e) Service period for each employment agency</b>	General	12 months to 18 months	12 months (-)	-
	T-contract	1 month to 7.5 months	4 months (-27.27%) to 12 months (0%)	5.5 months to 12 months
<b>(c) &amp; (e) No. of workers supplied by each agency; and their duties</b>	General	1 to 4 [Total: 5]	1 (-) [Total: 1 (-)]	-
		Duties: General office support		
	T-contract	1 to 55 [Total: 242]	1 (0%) to 46 (+15%) [Total: 225 (+15.38%)]	1 to 40 [Total: 195]
		Duties: Professional information technology support and system development		
<b>(d) &amp; (e) Details on the workers' wages offered by each agency</b>	General	The contracts OGCIO enter into with agencies only specify the service charged by the latter in providing agency workers. OGCIO normally does not specify the wages of agency workers, except with regard to the wages of non-skilled workers. Hence, the information requested is unavailable.		
	T-contract			

	<b>Type of Contract</b>	<b>2009-10</b> <b>(as at 30 September 2009)</b> <i>(see Note 4)</i>	<b>2008-09</b> <b>(as at 31 March 2009)</b>	<b>2007-08</b> <b>(as at 31 March 2008)</b>
<b>(f) The percentage of the number of agency workers against the current number of department staff</b> <i>(see Note 5)</i>	General	0.80%	0.16%	-
	T-contract	38.78%	35.71%	30.81%
<b>(g) The percentage of the expenditure on procurement of services from employment agencies against the departmental expenditure</b>	General	0.03%	0.01%	-
	T-contract	7.86%	13.80%	11.51%

Note 1 Figures for the Year 2010-2011 are not available as the number of agency workers varies from time to time in the light of changing service and operational requirements.

Note 2 Figures in ( ) denote the rate of change

Note 3 T-contract refers to term contract centrally administered by OGCIO

Note 4 No percentage of change is shown because of different cut-off dates

Note 5 The percentage of agency workers as compared with total staff is for a specific date only and is not representative of the situation for the concerned financial year

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)123**

Question Serial No.

2220

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

Programme:

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide information on the hiring of temporary staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff	( )	( )	( )	( )
Total salary expenditure on temporary staff	( )	( )	( )	( )
Percentage of the number of temporary staff against the total number of departmental staff	( )	( )	( )	( )

*Figures in ( ) denote the annual rate of change*

Asked by: Hon. WONG Kwok-hing

Reply: No temporary staff has been hired by the Office of the Government Chief Information Officer during the years in question.

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)124**

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

Question Serial No.

2221

Programme:

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide information on the hiring of “non-civil service contract staff” (“NCSC staff”) to provide services:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	( )	( )	( )	( )
Total salary expenditure on NCSC staff	( )	( )	( )	( )
Number of years for which NCSC staff are hired (average)	( )	( )	( )	( )
Number of NCSC staff converted to civil servants	( )	( )	( )	( )
Number of NCSC staff who were offered the chance to progress onto permanent terms but failed in the civil service recruitment	( )	( )	( )	( )
Percentage of the number of NCSC staff against the total number of departmental staff	( )	( )	( )	( )

*Figures in ( ) denote the annual rate of change*

Asked by: Hon. WONG Kwok-hing

Reply:

We do not have projected figures for the year 2010-11. The requested information in respect of the years 2007-08, 2008-09, 2009-10 (up to 28 February 2010) are shown in the table below -

	2009-10	2008-09	2007-08
Number of NCSC staff	19(-21%)	24(-25%)	32(-20%)
Total salary expenditure on NCSC staff	5.09 m(+91.4%)	2.66 m(+23.8%)	2.15 m (-44.7% )
Number of years for which NCSC staff are hired (average)	2.58 years (-24%)	3.41 years (+14%)	3 years (+1%)
Number of NCSC staff converted to civil servants	0(-200%)	2 (-)	Information not available
Number of NCSC staff who were offered the chance to progress onto permanent terms but failed in the civil service recruitment	2(-33%)	3(-25%)	4 (Information not available)
Percentage of the number of NCSC staff against the total number of departmental staff	2.87%(+0.35%)	2.86%(-4.7%)	3%(-29.6%)

*Figures in ( ) denote the annual rate of change*

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)125**

Question Serial No.

2222

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

Programme:

Controlling Officer: Government Chief Information Officer

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please provide information on the use of outsourced services (including property management, security, cleaning services, telecommunication technology and statistics, etc. (excluding outsourced building works)):

	2010-11	2009-10	2008-09	2007-08
Number of outsourcing contracts	( )	( )	( )	( )
Total contract sum for outsourced services	( )	( )	( )	( )
Total number of staff employed under outsourcing contracts	( )	( )	( )	( )
Number of outsourced staff replaced by government employees on permanent terms	( )	( )	( )	( )

*Figures in ( ) denote the annual rate of change*

Asked by: Hon. WONG Kwok-hing

Reply: The use of outsourced services under Head 47 is shown in the table:



	2010-11	2009-10	2008-09	2007-08
Number of outsourcing contracts	4 (up to 10 March 2010)	23 (+283.3%)	6 (+0%)	6
Total contract sum for outsourced services	\$1.4 m (up to 10 March 2010)	\$7.3 m (+97.2%)	\$3.7 m (+208.3%)	\$1.2 m
Total number of staff employed under outsourcing contracts	We specified the required service but do not specify the number of staff/workers required.			
Number of outsourced staff replaced by government employees on permanent terms	Nil (up to 10 March 2010)	Nil	Nil	Nil

*Figures in ( ) denote the annual rate of change*

Name in block letters Jeremy Godfrey

Post Title Government Chief Information Officer

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)126**

Head: 160 - Radio Television  
Hong Kong

Subhead  
(No. & title):

Question Serial No.

0169

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please list out the numbers of football matches broadcast live by RTHK in 2008-09 and 2009-10. What was the expenditure of live-broadcasting each match?

Asked by: Hon. EU Yuet-mee, Audrey

Reply: In 2008-09 and 2009-10, RTHK Channel 1 broadcast live the "Lunar New Year Cup 2009" and the soccer final at the "East Asian Games" respectively. The direct expenditure for the former broadcast was \$9,000 and the latter was \$14,000. (Note: The copyright fees for live broadcast of the two matches were waived.) In addition, Channel 1's sports programme, "Sports Update 430", frequently covers local football matches.

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010

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

**CEDB(CT)127**

Question Serial No.

2385

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

Programme: All Programmes

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please give details on the consultations carried out for formulation and assessment of policies under all programmes by filling in the below table.

Please provide information on the project(s) in 2009-10 that has been given allocation to conduct consultations:

Name(s) / Content (s) of the consultation project(s)	Revised Estimates (\$)	Progress of consultation (under planning / in progress / completed)	Consultation format (e.g. public opinion surveys, consultation meetings and focus group), frequency, names of bodies consulted and the number of people consulted.	Follow-up of consultation results by the Administrator and progress (if any)	If consultation is completed, has the public been informed of the results? If so, through what channel(s)? If not, why not?

Asked by: Hon. EU Yuet-mee, Audrey

Reply: In 2009-10, the Radio Television Hong Kong did not conduct consultation studies for formulating and assessing policies.

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010



Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)129**

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

Question Serial No.

0354

Programme: (4) New Media

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: Would the Administration please inform us the details and expenses involved regarding RTHK's effort on improving the technical performance of RTHK ON INTERNET?

Asked by: Hon. HO Chung-tai, Raymond

Reply: In 2010-11, RTHK plans to implement a high quality peer-to-peer player for all RTHK's radio channels and video archives. Additional bandwidth will also be acquired to cope with the demand of the rapidly growing number of Internet users. The estimated cost is around \$500,000.

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date .3.2010

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

**CEDB(CT)130**

Question Serial No.

1250

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

Programme: (2) Public Affairs Television

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: The RTHK aims to inform, educate and entertain the general public and specific target groups through providing programmes that are not adequately provided by commercial broadcasters. Hence, would the Administration consider ceasing hosting pop music award presentation ceremonies that are popular among the commercial broadcasters in 2010-11 in order to reallocate the valuable resources for enhancing the quality of other programmes? If so, how much resources will be reallocated?

Asked by: Hon. IP LAU Suk-ye, Regina

Reply: RTHK aims to inform, educate and entertain the general public and specific target groups through providing programmes that are not adequately provided by commercial broadcasters. Apart from programmes on news, current affairs and entertainment, a large number of programmes have been produced by RTHK to cater for the needs and interests of the minority groups each year. These include classical music programmes, cultural and arts programmes, programmes on Cantonese and other Chinese traditional operas, programmes for the elderly, programmes in Putonghua and ethnic minority languages, etc., with a view to supplementing the services that are not adequately provided by commercial broadcasters.

The annual production of the "Top Ten Chinese Gold Songs Award Presentation" aims at encouraging the development of the local music sector and promoting creative industries, as well as complimenting and recognising outstanding musicians. The annual presentation is broadcast live or delayed on more than 20 Chinese-speaking radio and television stations overseas and in the Mainland to promote the Hong Kong music culture. After each presentation, a detailed review on various aspects of the production, including its value and format, will be conducted to see whether there is room for improvement to be made. There is no plan to cease the production of the programme in 2010-11.

Name in block letters	<u>Franklin WONG</u>
Post Title	<u>Director of Broadcasting</u>
Date	<u>16.3.2010</u>



Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)132**

Question Serial No.

1047

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

Programme: (2) Public Affairs Television

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please list out the number of complaints the Radio Television Hong Kong (RTHK) has received in each of the past 3 years (i.e. 2007-08 to 2009-10) regarding its freedom of expression having been curtailed or self-censorship having been exercised.

Asked by: Hon. LAU Wai-hing, Emily

Reply: Over the past 3 years, RTHK has not received any complaint regarding the broadcaster's freedom of expression having been curtailed or self-censorship having been exercised.

At the programme level, there have been cases where some people involved in programmes were dissatisfied that they were not given enough time to express their views fully. These incidents were mainly due to timeslot and/or production constraints. We take these opinions seriously, explain to the concerned audience as far as we can, and will make reference to such opinions in future productions.

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010



Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)133**

Question Serial No.

1048

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

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please list out the number of complaints the Radio Television Hong Kong (RTHK) has received in each of the past 3 years (i.e. 2007-08 to 2009-10) regarding its freedom of expression having been curtailed or self-censorship having been exercised.

Asked by: Hon. LAU Wai-hing, Emily

Reply: Over the past 3 years, RTHK has not received any complaint regarding the broadcaster's freedom of expression having been curtailed or self-censorship having been exercised.

At the programme level, there have been cases where some participants in programmes have complained that they were not given enough time to express their views fully. These incidents were mainly due to timeslot and/or production constraints. We take these opinions seriously, explain to the concerned audience as far as we can, and will make reference to such opinions in future productions.

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010





Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)136**

Head: 160 - Radio Television  
Hong Kong

Subhead  
(No. & title):

Question Serial No.

2871

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2010-11, what is the expenditure regarding the production of programmes to cover the preparations and events of the 2010 Asian Games to be held in Guangzhou?

Asked by: Hon. TONG Ka-wah, Ronny

Reply: Radio 1 and Putonghua Channel will produce special programmes and daily flashes to cover the 2010 Asian Games in Guangzhou. News summaries and bulletins will also strengthen the coverage of the events. Besides sending additional reporters and sports presenters to Guangzhou, we are actively pursuing cooperation with Radio Guangdong and China National Radio on producing specials and relaying some of the events. The total expenses are estimated to be around \$500,000.

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)137**

Head: 160 - Radio Television  
Hong Kong

Subhead  
(No. & title):

Question Serial No.

2872

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2010-11, what is the expenditure regarding the production of programmes for the Expo 2010 to be held in Shanghai?

Asked by: Hon. TONG Ka-wah, Ronny

Reply: Special programmes and flashes will be produced at various time slots from May to November in various channels to cover different aspects of the Expo 2010 to be held in Shanghai. The programmes will include interviews with the organisers, scholars, cultural personalities and artists, etc. to introduce details of the Expo project. We are also actively pursuing co-operation with our Shanghai broadcasting counterparts to relay the Opening and Closing Ceremonies. The total expenses are estimated to be around \$500,000.

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010





	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
staff engaged		(-18%)	(+20%)	
The proportion of temporary staff among the entire staff of the department (%)	Information not available	20%	22%	22%

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010





- (g) List out the amount of expenses on the engaged agencies, as a proportion to the departmental expenses.

Asked by: Hon. WONG Kwok-hing

Reply: RTHK currently has service contracts for obtaining general office support to fill short-term manpower gap and / or to meet urgent or unforeseen service needs. Information is as follows:

- (a) We currently have two such contracts of service.
- (b) The contract values of the current contracts are around \$590,000 for 20.5 months and \$54,000 for 5.5 months respectively.
- (c) We are now engaging 3 agency workers under the current contracts for providing general office support work.
- (d) We do not have information on the salary being paid by the agencies to the agency workers in question.
- (e) The information is tabulated below as requested -

	2010-11	2009-10	2008-09	2007-08
The number of agencies	Information not available	2 (-60%)	5 (+67%)	3
Total contract value with agencies <i>(not actual payment)</i>	Information not available	About \$94,000 (-86%)	About \$682,000 (+666%)	About \$89,000
Term of service with agencies <i>(on average)</i>	Information not available	5 months	8 months	3 months
Total number of staff provided by employment agency	Information not available	3 as at 1.3.2010	5 as at 31.3.2009	1 as at 31.3.2008
Staff salary paid by employment agency <i>(Maximum, median, minimum)</i>	Information not available	Information not available	Information not available	Information not available

In addition, RTHK also secures some of the IT manpower through technical service providers, engaged under a term contract centrally administered by the Office of the Government Chief Information Officer (referred to as "T-contract staff"), to support IT

projects. The service nature of such companies is different from the above-mentioned agencies, and as such, they are not included in the information above.

- (f) As at 1.3.2010, the percentage of the number of agency workers against the total number of full-time staff is 0.4%. (Note: the percentage is for this specific date only and is not representative of the situation for the concerned financial year.)
- (g) The percentage of the contract value of the contract engaged in 2009-10 as against the approved estimate for the year is 0.02%.

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)141**

Head: 160 - Radio Television  
Hong Kong

Subhead  
(No. & title):

Question Serial No.

2217

Programme: 000 Operational Expenses

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce and Economic Development

Question: Please list out below the employment of Non-Civil Service Contract (NCSC) staff for providing services:

	2010-11	2009-10	2008-09	2007-08
Total number of NCSC staff.	( )	( )	( )	( )
Total expenditure on salaries for NCSC staff.	( )	( )	( )	( )
Number of years of service (on average) of the NCSC staff.	( )	( )	( )	( )
Number of NCSC staff that have changed into civil servants.	( )	( )	( )	( )
Number of NCSC staff who have the chance to be offered long-term employment, but have failed in the recruitment exercise.	( )	( )	( )	( )
Number of NCSC staff as a percentage to the overall number of staff (%)	( )	( )	( )	( )

( ) Increase and decrease as expressed in percentage each year

Asked by: Hon. WONG Kwok-hing

Reply: The information in respect of full-time NCSC staff engaged on continuous contract is as below

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	2010-11	2009-10	2008-09	2007-08
Total number of NCSC staff.	Information not available	341 (as at 1.2.2010) (+3%)	330 (as at 31.3.2009) (+12%)	295 (as at 31.3.2008)
Total expenditure on salaries for staff under NCSC.	Information not available	Estimated Around \$93M (+9%)	Around \$85M (+18%)	Around \$72M
Number of years of service (on average) of the NCSC staff.	Information not available	3 y 9 m	3 y 7 m	3 y 5 m
Number of NCSC staff appointed as civil servants	Information not available	No civil service recruitment in the Radio Television Hong Kong (RTHK).		
Number of NCSC staff who have the chance to be offered long-term employment, but have failed in the recruitment exercise.	Information not available	No civil service recruitment in RTHK		
Number of NCSC staff as a percentage to the overall number of staff (%)	Information not available	43%	41 %	38%

( ) Increase and decrease as expressed in percentage each year

Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010



Name in block letters Franklin WONG

Post Title Director of Broadcasting

Date 16.3.2010

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

**CEDB(CT)143**

Question Serial No.

2387

Head: 180 Television and Entertainment Licensing Authority  
Subhead  
(No. & title):

Programme: (1) Broadcast Monitoring and Regulation  
(2) Film Classification and Control of Obscene and Indecent Articles

Controlling Officer: Commissioner for Television and Entertainment Licensing

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the consultations conducted under all programmes for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

For the projects with provision allocated for conducting consultations in 2009-10, please provide information in the following format:

Name/Content of the Consultations	Revised Estimate (\$)	Progress of Consultation (under planning / in progress / completed)	Mode of consultation (e.g. through written submissions, consultation forums, focus groups), number of events, names of the consulted organisations, number of people consulted	Follow-up actions on the outcome of consultations by the Administration and their progress (if any)	If completed, have they been published to the public? If so, through which channels? If not, what are the reasons?
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Asked by: Hon. EU Yuet-mee, Audrey

Reply: Regarding consultations conducted in 2009-10 for the purposes of formulating and assessing policies-

Mid-term review of the domestic free television programme service licences	Around \$1.6 million	In progress	Public opinion survey, three public hearings (a total of 724 members of the public attended the hearings), seven focus group discussions (a total of 93 members of different sectors and organizations participated in the discussions), 247 written submissions from individuals and organisations.	The Broadcasting Authority will take into account the views of the public in making recommendations to the Chief Executive in Council.	Not yet completed.
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Name in block letters Vincent Liu

Post Title Commissioner for Television  
and Entertainment Licensing

Date 15.3.2010

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

**CEDB(CT)144**

Question Serial No.

2388

Head: 180 - Television and Entertainment Licensing Authority  
Subhead  
(No. & title):

Programme: (1) Broadcast Monitoring and Regulation  
(2) Film Classification and Control of Obscene and Indecent Articles

Controlling Officer: Commissioner for Television and Entertainment Licensing

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding the consultations conducted under all programmes for the purposes of formulating and assessing policies, is there any consultation for which provision has been allocated for conducting consultation in 2010-11? If so, please provide the following information:

Name/Content of the Consultations	Expenditure (\$)	Progress of Consultation (under planning / in progress / completed)	Mode of consultation (e.g. through written submissions, consultation forums, focus groups), number of events, names of the consulted organisations, number of people consulted	Will the consultations be published to the public if they are expected to be completed in the 2010-11 financial year? If not, what are the reasons?
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Asked by: Hon. EU Yuet-mee, Audrey

Reply:

Mid-term review of the sound broadcasting licenses	Around \$900,000	Under planning	Public opinion survey, public hearings, focus group discussions, and written submission. Details to be worked out.	Yes
The second round of public consultation on review of the Control of Obscene and Indecent Articles Ordinance	\$2 million	Under planning	Public discussion sessions, focus group discussions, web forum, and written submissions. Details to be worked out.	Yes

Name in block letters Vincent Liu

Post Title Commissioner for Television  
and Entertainment Licensing

Date 15.3.2010

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

**CEDB(CT)145**

Question Serial No.

2592

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 and Economic Development

Question: The broadcasting policy objectives formulated by the Government include (1) encouraging investment, innovation and technology transfer in the broadcasting industry; and (2) ensuring fair and effective competition in the provision of broadcasting services. In this regard, please list by types the specific work conducted by the Television and Entertainment Licensing Authority on meeting the above objectives for 2009-10. (Please list by types the work involving television broadcasting and radio broadcasting.)

Asked by: Hon. LEE Wing-tat

Reply: The Television and Entertainment Licensing Authority (TELA) is the executive arm of the Broadcasting Authority (BA), which is an independent regulator of the broadcasting industry. It assists the BA in carrying out the statutory functions of the BA as set out under the Broadcasting Authority Ordinance (Cap. 391).

TELA has taken the following steps to assist BA in pursuing the policy objective to encourage investment, innovation and technology transfer in the broadcasting industry in 2009-10 –

- (a) Issued a Guidance Note for sound broadcasting application to facilitate the processing of digital sound broadcasting applications to be submitted.
- (b) Started processing two applications for domestic free television programme service licences.
- (c) Monitored the implementation of digital terrestrial television (DTT) by the two domestic free television programme service licensees and assessed the licensees' proposed investment for the next six years, i.e. from 2010 to 2015, in the context of the mid-term review of their licences.

In relation to the policy objective to promote fair and effective competition, TELA has conducted work to assist the BA in enforcing the competition provisions under the Broadcasting Ordinance (Cap. 562). In 2009-2010, TELA has assisted the BA in processing competition complaints about alleged anti-competitive conduct of a domestic free television programme service licensee concerning, among others, artiste management practices.

Name in block letters Vincent Liu

Post Title Commissioner for Television and  
Entertainment Licensing

Date 15.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)146**

Head: 180 - Television and  
Entertainment  
Licensing Authority

Subhead  
(No. & title):

Question Serial No.

2868

Programme: (2) Film Classification and Control of Obscene and Indecent Articles

Controlling Officer: Commissioner for Television and Entertainment Licensing

Director of Bureau: Secretary for Commerce and Economic Development

Question: Regarding film classification and control of obscene and indecent articles, what is the reason for the increase in provision in 2010-11? What new areas of work are involved in this respect?

Asked by: Hon. TONG Ka-wah, Ronny

Reply: Provision for 2010–11 on film classification and the control of obscene and indecent articles is \$2.5 million higher than that of the revised estimate for 2009–10. This is mainly due to the additional provision to enhance educational and publicity programmes to promote the Control of Obscene and Indecent Articles Ordinance and to install a set of 3D projection system in Television and Entertainment Licensing Authority for the censorship of 3D films submitted for classification.

Name in block letters Vincent Liu

Post Title Commissioner for Television  
and Entertainment Licensing

Date 15.3.2010

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

**CEDB(CT)147**

Question Serial No.

2869

Head: 180 - Television and  
Entertainment  
Licensing Authority

Subhead  
(No. & title):

Programme: (2) Film Classification and Control of Obscene and Indecent Articles

Controlling Officer: Commissioner for Television and Entertainment Licensing

Director of Bureau: Secretary for Commerce and Economic Development

Question: What is the method used and amount of the expenditure required to gauge public opinions on film classification standards in 2010-11?

Asked by: Hon. TONG Ka-wah, Ronny

Reply: The Television and Entertainment Licensing Authority will commission an independent market research company to conduct a "Public Opinion Survey on Film Classification System" to gauge public opinions on film classification standards in 2010. The survey will comprise structured face-to-face household interviews and focus group discussions.

We have reserved \$800,000 for the survey.

Name in block letters Vincent Liu

Post Title Commissioner for Television  
and Entertainment Licensing

Date 15.3.2010

Examination of Estimates of Expenditure 2010-11

Reply Serial No.

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

**CEDB(CT)148**

Head: 180 - Television and  
Entertainment  
Licensing Authority

Subhead  
(No. & title):

Question Serial No.

2870

Programme: (2) Film Classification and Control of Obscene and Indecent Articles

Controlling Officer: Commissioner for Television and Entertainment Licensing

Director of Bureau: Secretary for Commerce and Economic Development

Question: In 2010-11, what is the amount of the expenditure required to maintain the operation of the public advisory panel on film classification?

Asked by: Hon. TONG Ka-wah, Ronny

Reply: Around \$90,000 is required to maintain the operation of the public advisory panel on film classification in 2010-11. This includes staff cost and expenditures for miscellaneous items such as running of orientation programmes for new recruits.

Name in block letters Vincent Liu

Post Title Commissioner for Television  
and Entertainment Licensing

Date 15.3.2010