

立法會
Legislative Council

LC Paper No. CB(4)270/12-13
(These minutes have been seen
by the Administration)

Ref : CB4/PL/ITB/1

Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 12 November 2012, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

- Members present** : Hon WONG Yuk-man (Chairman)
Dr Hon Elizabeth QUAT, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon Emily LAU Wai-hing, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan
Hon Mrs Regina IP LAU Suk-yeet, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon Steven HO Chun-yin
Hon YIU Si-wing
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon SIN Chung-kai, SBS, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Members absent** : Hon WONG Ting-kwong, SBS, JP

**Public officers
attending**

: Agenda item IV

Miss Susie HO, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Joe WONG, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Ivanhoe CHANG
Principal Assistant Secretary for Commerce and
Economic Development (Communications &
Technology)B

Mr K C YAU
Principal Assistant Secretary for Commerce and
Economic Development (Commerce & Industry)
SD

Miss Eliza LEE, JP
Director-General of Communications

Mr Sanda CHEUK
Assistant Director (Market & Competition)
Office of the Communications Authority

Miss Elaine HUI
Head, Market & Competition 1,
Office of the Communications Authority

Agenda Item V

Miss Susie HO, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Joe WONG, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Ivanhoe CHANG
Principal Assistant Secretary for Commerce and
Economic Development (Communications &
Technology)B

Mr Jerry LIU
Head of Create Hong Kong

Agenda Item VI

Miss Susie HO, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Victor LAM
Government Chief Information Officer (Atg.)

Mr W P TSE
Assistant Government Chief Information Officer
(Business Transformation) (Atg.)

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (4)3

Staff in attendance : Mr Joey LO
Senior Council Secretary (4)3

Ms Anki NG
Council Secretary (4)3

Miss Iris CHEUNG
Legislative Assistant (4)2

Action

- I. Confirmation of minutes of meeting**
- | | |
|------------------------------|---|
| (LC Paper No. CB(4)114/12-13 | -- Minutes of meeting held on
16 October 2012 |
| (LC Paper No. CB(4)93/12-13 | -- Verbatim record of special
meeting on
26 October 2012) |

The minutes of the meeting held on 16 October 2012 were confirmed.

2. The verbatim record of special meeting on 26 October 2012 was confirmed.

II. Information paper issued since the last meeting

(File Ref: CTB(CR)7/10/7

-- Legislative Council Brief on Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2012 and Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2012 issued by the Commerce and Economic Development Bureau

LC Paper Nos. CB(4)59/12-13(01) and (02)
(*Chinese version only*)
(*issued on 24 October 2012*)

-- Submission from a member of the public on broadcasting services of large-scale sports events (Restricted to Members))

3. Members noted that the above papers had been issued for the Panel's information.

III. Date of next meeting and items for discussion

(LC Paper No. CB(4)109/12-13(01) -- List of outstanding items for discussion)

4. Members agreed that a special meeting would be scheduled for Saturday, 24 November 2012 at 9:00 am to receive views from members of the public on "Issues relating to the discontinuation of broadcasting service by Digital Broadcasting Corporation Limited". The meeting would end at 6:00 pm subject to the number of members of the public/deputations attending.

(Post-meeting note: With the concurrence of the Panel Chairman, the meeting was divided into three sessions and ended at 4:10 pm.)

5. Members noted that the next regular Panel meeting would be held on Monday, 10 December 2012, at 2:30 pm to discuss the following items:

- (a) Licence fee reductions for Unified Carrier Licence, Public Radiocommunications Service Licences and Services-Based Operator Licences issued under the Telecommunications Ordinance (Cap. 106); and
- (b) Revision of fees payable in respect of applications for the recognition of certification authorities, the recognition of digital certificates or the renewal of such recognition under the Electronic Transactions Ordinance (Cap. 553).

6. Ms Claudia MO expressed concern whether Asia Television Limited ("ATV"), being the domestic free television programmes services licensee, had misused the public resource to live broadcast the event "Concern for Hong Kong's Future" organized by its affiliated club, the Asia Club, to protest against the possible issue of new domestic free television programme service licences. She also expressed concern whether the live broadcast of such event by ATV had violated the generic code of practice for television programme services and the competition provisions under the Broadcasting Ordinance ("BO") (Cap. 562). She considered that the Administration and the Communications Authority ("CA") should look into the matter and brief the Panel on their follow-up actions taken. The Panel should also invite representatives of ATV to attend the meeting to answer questions raised by members pertaining to the matter. After deliberation, members agreed that the Panel should discuss issues relating to the live broadcast of "Concern for Hong Kong's Future" by ATV at the next regular meeting to be held on 10 December 2012.

7. Ms Emily LAU enquired about the latest developments of the follow-up action taken by CA on the issue of fit and proper person in its ongoing investigation into the role of Mr WONG Ching in the control and management of ATV. In this regard, the Chairman instructed the Secretariat to write to CA requesting a progress report on the matter.

(Post-meeting note: The information provided by the CA was circulated to members vide LC Paper No. CB(4)218/12-13(01) on 6 December 2012.)

IV. Proposed creation of a new permanent post of Chief Regulatory Affairs Manager under the Office of the Communications Authority

(LC Paper No. CB(4)109/12-13(02) -- Administration's paper on proposed creation of a new permanent post of Chief Regulatory Affairs Manager under the Office of the Communications Authority

LC Paper No. CB(4)109/12-13(03) -- Paper on regulatory matters to be undertaken by the enforcement agencies arising from the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Bill 2012 prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(4)137/12-13(01) -- Administration's paper on Proposed creation of a new permanent post of Chief Regulatory Affairs Manager under the Office of the Communications Authority (power-point presentation material))
(Chinese version only)
(tabled at the meeting and subsequently issued via email on 13 November 2012)

Presentation by the Administration

8. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") briefed members on the proposal of the Administration to create in the Office of the Communications Authority ("OFCA") one permanent post of Chief Regulatory Affairs Manager ("CRAM") (D1), through upgrading an existing permanent post of Principal Regulatory Affairs Manager ("PRAM") (MPS Point 45-49). Head, Market & Competition 1, Office of the Communications Authority then gave a power-point presentation on the subject. Details of the briefing and presentation were set out in the Administration's papers (LC Paper Nos. CB(4)109/12-13(02) and CB(4)137/12-13(01)).

Discussion

Justifications

9. Mr SIN Chung-kai enquired whether the Administration would strengthen manpower support for the proposed post of CRAM after upgrading the post from an existing post of PRAM.

10. Director-General of Communications ("DGC") advised that following the commencement of operation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 ("TDO(A)") in 2013, OFCA would take up the role of investigation into and enforcement against unfair trade practices relating to the provision of both broadcasting and telecommunications services by licensees under the Broadcasting Ordinance ("BO") (Cap. 562) and the Telecommunications Ordinance ("TO") (Cap. 106), in support of CA. There would also be a substantial change in the approach of investigation and enforcement of the new fair trading provisions in the TDO(A) as compared with that relating to the existing provisions in section 7M of the TO. The enforcement duties of OFCA would be expanded considerably, both in scope and complexity. As such, apart from upgrading the existing permanent post of PRAM, a total of 11 posts in the Regulatory Affairs Manager ("RAM") Grade and the Inspector (Telecommunications) Grade respectively under OFCA would need to be created to provide support to the proposed post of CRAM. These posts would be deployed under five sections to be headed by the future incumbent of CRAM. These posts would be responsible for the new enforcement work arising from handling cases of unfair trade practices relating to the provision of broadcasting services under the TDO(A), and those arising from handling suspected aggressive commercial practices by telecommunications licencees.

11. Regarding the timetable for implementation, DGC advised that subject to the Panel's endorsement, the Administration would seek the recommendation of the Establishment Subcommittee in January 2013 and approval from the Finance Committee ("FC") afterwards, with a view to implementing the proposal in the second quarter of 2013.

12. Mrs Regina IP enquired whether the proposed creation of the CRAM post was due to unforeseen circumstances when the financial proposal for the establishment of OFCA was submitted to the Panel and FC in the 2011-2012 legislative session. In this connection, Mr Christopher CHUNG enquired about the financial implications of the proposal. The Chairman opined that as the proposal was essentially a reorganization proposal of the Market and Competition Division of OFCA, he hoped that it would lead to cost savings due to improved efficiency and streamlined workflow.

13. DGC advised that when the financial proposal for the establishment of OFCA was submitted to the Panel and FC in the 2011-2012 legislative session, the financial and establishment implications for OFCA arising from new legislative proposals such as the TDO(A) and the Competition Bill had not been incorporated as they were still under LegCo's scrutiny at the time. The present establishment proposal for the creation of the CRAM post was intended to tie in with the implementation of the TDO(A) in 2013-2014. The required additional full annual average staff cost, including salaries and staff on-cost was \$129,000. The additional cost due to this establishment proposal would be fully borne by the OFCA Trading Fund.

14. Mr LEUNG Kwok-hung enquired about the implications on workload of OFCA with the omission of a mandatory cooling-off period from the TDO(A). In response, Principal Assistant Secretary for Commerce and Economic Development (Commerce & Industry) SD said that the omission of a mandatory cooling-off period could have some bearing on the workload of OFCA, but no assessment had been made in this respect.

Other issues

15. Mr Charles MOK enquired why there were no suitable candidates from within OFCA to fill the proposed post of CRAM. He considered that a policy to groom talents from within OFCA would be necessary in the long run.

16. DGC advised that the new civil service grade of RAM, including the rank of PRAM, was only created in November 2011. As incumbents of the PRAM posts had been appointed to their posts for only a month or so, they did not have sufficient track record in their present posts to qualify them for promotion to the higher rank. An open recruitment for the CRAM post was therefore necessary. Nevertheless, serving staff in OFCA were welcome to submit their applications for the post.

17. Mr Christopher CHUNG expressed concern about possible inconsistencies and conflicts in the application of the concurrent jurisdiction regime under the TDO(A) by the different authorities.

18. DGC advised that while the Commissioner of Customs and Excise (C of C&E) who currently enforced the TDO would be tasked to enforce the new provisions under the TDO(A), concurrent jurisdiction would be conferred on the CA in respect of unfair trade practices relating to the provision of broadcasting and telecommunications services by licensees under the BO and the TO. Under the TDO(A), C of C&E and CA would prepare and sign a memorandum of understanding for co-ordinating the

performance of their functions under the TDO. They would also hold regular meetings to discuss case management issues. Therefore, the question of inconsistencies and conflicts should not arise.

19. The Chairman concluded that the Panel supported in principle the Administration's establishment proposal.

V. Proposed creation of a permanent civil service post of Secretary-General of the Film Development Council in Create Hong Kong

(LC Paper No. CB(4)109/12-13(04) -- Administration's paper on proposed creation of a permanent civil service post of Secretary-General of the Film Development Council in Create Hong Kong

LC Paper No. CB(4)109/12-13(05) -- Paper on the non-civil service post of Secretary-General of the Film Development Council prepared by the Legislative Council Secretariat (background brief))

Presentation by the Administration

20. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") briefed members on the proposal of the Administration to create a new civil service one-rank grade of Secretary-General of the Film Development Council ("SG(FDC)") to accommodate a permanent civil service post of SG(FDC)(D2) in Create Hong Kong ("CreateHK"). Head of Create Hong Kong ("H of CHK") then gave a more detailed presentation on the subject. Details of the briefing and presentation were set out in the Administration's paper (LC Paper No. CB(4)109/12-13(04)).

Discussion

Long-term service needs of the post of SG(FDC)

21. Mr SIN Chung-kai enquired about the rationale for creating a new permanent civil service post of SG(FDC) as the existing post of SG(FDC)

was already filled by a non-civil service ("NCS") staff member.

22. PSCED(CT) advised that SG(FDC) was at present a time-limited D2-equivalent NCS position created in November 2007. The post was extended twice in 2009 and 2011 with the approval of the Finance Committee. The post was due to lapse on 16 November 2013. Having reviewed the needs of the industry and CreateHK's manpower situation, the Administration considered that there were long-term needs for creating a one-rank grade to accommodate a permanent directorate post of SG(FDC) to underpin H of CHK in overseeing the film sector, and to meet the long-term service needs at directorate level to promote the film industry of Hong Kong.

Government's policy in support of the film industry

23. Mr Charles MOK enquired about the long-term policy of the Government in support of the film industry. In this connection, Ms Cyd HO opined that the Administration should approve Film Development Fund ("FDF") applications submitted by filmmakers who wished to explore certain experimental or taboo themes, such as equal rights for people of different sexual orientations.

24. H of CHK advised that the incumbent SG(FDC) had been liaising with stakeholders in the film industry to gauge their views on the Government's long-term policy in support of the industry, including the nurturing of young talents and the expansion of markets outside Hong Kong. The latter would include facilitating the access of the film industry to the Cantonese film markets in Guangdong Province. Accordingly, the FDC introduced the "Sponsorship for Hong Kong Films (Cantonese Version) Distributed in Guangdong Province" scheme in July 2012. The scheme aimed at funding the distribution and publicity costs of Hong Kong films distributed in Guangdong Province in their Cantonese version on an accountable and reimbursable basis, and the maximum sponsorship for each film was \$250,000.

25. Regarding vetting of FDF applications, H of CHK supplemented that in assessing the applications, the Film Development Council ("FDC") was assisted by its Fund Vetting Committee ("FVC") and experts drawn from a Panel of Examiners who were professionals in Hong Kong with experience in film production, financing, distribution, etc. The Administration would consider whether or not to approve an application by taking into account the recommendations of the FDC. Starting from December 2012, the FVC would include "creativity of the script" as one of the approval criteria to be assessed by the Panel of Examiners for reference by the FVC.

26. Mr MA Fung-kwok expressed support in principle for the establishment proposal. He added that while the number of Hong Kong-Mainland co-production titles had grown in recent years, the number of Hong Kong personnel engaging in such co-productions, including front-stage, back-stage and post-production, had diminished. Sharing a similar view, Ms Claudia MO and Mr LEUNG Kwok-hung opined that Hong Kong films had become too market-oriented towards the Mainland.

27. H of CHK advised that Hong Kong-Mainland co-production titles constituted only a portion of the total film productions in Hong Kong. In recent years, the number of Hong Kong-Mainland co-production titles had been on a rising trend as Hong Kong filmmakers took advantage of the availability of funds, shooting locations and low-cost labour in the Mainland. More recently, as the cost of production in the Mainland had risen significantly, there had been signs that more and more small-to-medium budget films had reverted to being produced in Hong Kong, hence engaging more Hong Kong production personnel. The Government and the FDC would continue to encourage the production of more quality films of new genres, and to help nurture talent for the local film sector through the FDF.

28. Noting that one of the wide range of duties of the Film Services Office ("FSO") headed by SG(FDC) included facilitating film production and location shooting of films in Hong Kong, Mr Raymond CHAN relayed the concern of the film industry that location shooting in Hong Kong had been a very difficult task for local film production companies, but relatively easy for overseas film production companies.

29. H of CHK advised that FSO gave equal treatment to, and without any preference on local and international film production companies when facilitating their applications for location shooting in Hong Kong. An example would be for FSO to have received a thank you letter from the producer of the local film "A Simple Life" in facilitating location shooting in a hospital and in a wet market in 2011. At the request of Mr CHAN, the Administration undertook to provide information on the total number of requests for assistance in location shooting in Hong Kong made by local vis-à-vis overseas film production companies, and a breakdown of the results of such requests.

(Post-meeting note: The information provided by the Administration was circulated to members vide LC Paper No. CB(4)230/12-13(01) on 10 December 2012.)

30. The Chairman concluded that the Panel supported in principle the Administration's establishment proposal.

VI. Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems

(LC Paper No. CB(4)109/12-13(06) -- Administration's paper on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems

LC Paper No. CB(4)109/12-13(07) -- Paper on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems prepared by the Legislative Council Secretariat (background brief))

Presentation by the Administration

31. At the invitation of the Chairman, the Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") briefed members on the 2013-2014 funding requirement for the implementation of computerization projects under the Capital Works Reserve Fund (CWRF) Head 710 Computerization Subhead A007GX ("block allocation") – New administrative computer systems. PSCED(CT) sought members' support for the proposed block allocation of \$890 million, which was \$30 million (about 3.5%) higher than the provision of \$860 million for 2012-2013. Details of the funding requirement and new projects to be funded by the block allocation were set out in the Administration's paper (LC Paper No. CB(4)109/12-13(06)).

Discussion

Increase in block allocation

32. Mr SIN Chung-kai queried whether the proposed increase in block allocation of \$30 million (about 3.5%) in 2013-2014 would be sufficient for

the implementation of computerization projects under the block allocation. In this connection, Mr Charles MOK requested a breakdown of the items for the proposed increase and information on whether the Administration would outsource the implementation work under the block allocation in 2013-2014. Mr YIU Si-wing also requested a breakdown in the proposed increase into items such as hardware facilities, software development, staff costs, implementation costs and reserve fund items, etc.

33. In reply, the Government Chief Information Officer (Acting) ("Acting GCIO") advised that the block allocation in recent years had been on the rise from \$715 million in 2010-2011, \$780 million in 2011-2012, \$860 million in 2012-2013 to \$890 million in 2013-2014, which was about 25% increase. The proposed increase in block allocation of \$30 million in 2013-2014 would enable the Government to keep pace with the increasing use of information and communications technology for service transformation, improve customer service and enhance system security. The Administration would adopt an outsourcing approach in implementing about 90% of the new projects, and about one-third each of the resource allocation would be distributed to implementation services, software items and hardware facilities. Acting GCIO supplemented that to enhance transparency, information on all the proposed new projects, approved projects and their tender-related information had been published on the Digital 21 Strategy website. The Administration undertook to provide a breakdown of the items for the increase in the proposed allocation for members' consideration.

Admin

(Post-meeting note: The supplementary information regarding the breakdown of the proposed increase in the block allocation provided by the Administration was circulated to members vide LC Paper No. CB(4)188/12-13(01) on 26 November 2012.)

E-billing

34. Mr SIN Chung-kai enquired whether the public would be able to access different Government bills through a single user account on the relevant website in order to enhance convenience to the general public. In reply, Acting GCIO advised that to improve e-Government service delivery, a personalized version of GovHK, MyGovHK, had been launched to provide users with the option of an easy sign-on function to access different Government bills via an integrated user account, including bills of the Rating and Valuation Department, Inland Revenue Department, Water Supplies Department, Treasury, and Student Financial Assistance Agency. Since the launching of MyGovHK, about 100 000 integrated user accounts had been

registered.

Implementation of next generation Government Wi-Fi programme

35. Mr SIN Chung-kai enquired about the progress of implementation of the Next Generation Government Wi-Fi ("GovWiFi") Programme. Acting GCIO advised that the programme had made steady progress since the funding approval by the Finance Committee in June 2011. Tendering exercise had been completed and implementation work of the new programme was expected to complete in 2013. The service contract of the new programme would last until December 2017. The enhancement of GovWiFi would provide the public with more efficient and convenient access to free Wi-Fi services.

36. Mr Christopher Chung enquired about the existing coverage of the GovWiFi service in Hong Kong. Acting GCIO advised that free GovWiFi service was primarily provided at government premises. To further improve the coverage, free GovWiFi service had been extended to cover more venues, including open spaces such as sports grounds and parks. He supplemented that synergies had to be achieved between the Government and the private sector in providing Wi-Fi services to ensure that the Government would not compete directly with the private sector. The Administration would continue to review the usage of GovWiFi services in different venues.

Business opportunities for local small and medium sized enterprises

37. The Deputy Chairman said that many information and technology ("IT") companies were small and medium sized enterprises ("SMEs"). SMEs had experienced difficulties in bidding for Government IT contracts as they used similar technologies in implementing projects and contracts were usually awarded to those with low bidding price, thus creating intense competition among SMEs in the IT sector. She was of the view that the Administration should put in place measures to help SMEs to compete fairly in Government IT tenders and procurements. Mr LEUNG Kwok-hung and Mr Christopher CHUNG shared the view of the Deputy Chairman.

38. The Deputy Chairman also requested the Administration to provide updated information on the involvement of SMEs in the Standing Offer Agreement for the procurement of Quality Professional Services ("SOA-QPS") contracts since July 2009. She suggested that the Government should invite award-winners from the Information and

Communications Technology ("ICT") sector to introduce new technologies to the Government for use in new projects.

39. Acting GCIO advised that in the first six months of 2012, SMEs participated in about one-third of the projects in the SOA-QPS, and directly involved in about one-fifth of the projects. Apart from the SOA procurement arrangement, the Administration had recently introduced a listing arrangement for the procurement of government public cloud services. Out of the 40 listed service providers, about one-third of them were SMEs. Acting GCIO added that the Administration had recently invited some ICT award-winners to demonstrate their winning projects in areas next to the Wanchai Government Complex, and held seminars for these award-winners to introduce their products to government departments.

Performance guidelines or assessment

40. Mr SIN Chung-kai enquired whether the Administration had provided any performance guidelines to or conducted any assessment on the relevant Bureaux and Departments ("B/Ds") in the implementation of computerization projects. Acting GCIO advised that the relevant B/Ds would submit a departmental IT project portfolio to the Office of the GCIO ("OGCIO") every year outlining the existing projects and upcoming projects to be implemented in the coming five years. OGCIO would comment on and review the necessity and feasibility of these projects before implementation by the relevant B/Ds.

Summing up

41. The Chairman concluded that the Panel supported in principle the proposed block allocation for consideration by the Public Works Subcommittee. He reminded the Administration to provide more detailed information on the projects to be funded under the proposed block allocations in the following years to facilitate discussion at future Panel meetings.

VII. Any other business

42. There being no other business, the meeting ended at 4:30 pm.