

**立法會**  
**Legislative Council**

LC Paper No. CB(4)1096/13-14  
(These minutes have been seen  
by the Administration)

Ref : CB4/PL/ITB/1

**Panel on Information Technology and Broadcasting**

**Minutes of meeting**  
**held on Tuesday, 22 July 2014, at 2:30 pm**  
**in Conference Room 1 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 WONG Ting-kwong, SBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon Cyd HO Sau-lan, JP  
Hon Paul TSE Wai-chun, JP  
Hon LEUNG Kwok-hung  
Hon Claudia MO  
Hon NG Leung-sing, SBS, JP  
Hon Steven HO Chun-yin  
Hon YIU Si-wing  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon SIN Chung-kai, SBS, JP  
Dr Hon CHIANG Lai-wan, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Members absent** : Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP

**Public officers  
attending**

: Agenda item III

Commerce and Economic Development Bureau

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

Mr Edward TO  
Acting Deputy Secretary for Commerce and  
Economic Development (Communications and  
Technology)

Communications Authority

Mr Ambrose HO, SBS, SC, JP  
Chairman

Mr Adrian WONG Koon-man, BBS, MH, JP  
Chairman, Broadcast Complaints Committee

Office of the Communications Authority

Miss Eliza LEE, JP  
Director-General of Communications

Ms Elizabeth TAI  
Deputy Director-General of Communications  
(Broadcasting)

Miss Katy FONG  
Assistant Director (Broadcasting)

Mr Chaucer LEUNG  
Assistant Director (Regulatory)

Agenda item IV

Commerce and Economic Development Bureau

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

Office of the Government Chief Information Officer

Mr Daniel LAI, BBS, JP  
Government Chief Information Officer

Mr Victor LAM, JP  
Deputy Government Chief Information Officer  
(Consulting and Operations)

Mr Alex LEE  
Assistant Government Chief Information Officer  
(IT Strategy)

Agenda item V

Commerce and Economic Development Bureau

Mr Godfrey LEUNG, JP  
Under Secretary for Commerce and Economic  
Development

Office of the Government Chief Information Officer

Mr Daniel LAI, BBS, JP  
Government Chief Information Officer

Miss Joey LAM, JP  
Deputy Government Chief Information Officer  
(Policy and Community)

Ms Vanessa YUNG  
Chief Systems Manager  
(Industry Facilitation)

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

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

Miss Mandy NG  
Council Secretary (4)3

Miss Mandy LAM  
Legislative Assistant (4)3

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Action

**I. Confirmation of minutes of meeting**

(LC Paper No. CB(4)924/13-14 -- Minutes of special meeting held on 28 January 2014

LC Paper No. CB(4)903/13-14 -- Minutes of meeting held on 12 May 2014

LC Paper No. CB(4)826/13-14(01) -- List of outstanding items for discussion

LC Paper No. CB(4)826/13-14(02) -- List of follow-up actions)

The minutes of the meetings held on 28 January 2014 and 12 May 2014 were confirmed.

**II. Information paper(s) issued since the last meeting**

(LC Paper No. CB(4)898/13-14(01) -- Submission from a member of public dated 29 June 2014 on issues relating to the "phone-in" and current affairs programmes of Radio Television Hong Kong and Hong Kong Commercial Broadcasting Company Limited (Chinese version only))

2. Members noted the above submission issued since the last meeting.

**III. Public consultation on an application for a domestic free television programme service licence by Hong Kong Television Network Limited**

(LC Paper No. CB(4)826/13-14(03) -- Administration's paper on application for a domestic free television programme service licence

LC Paper No. CB(4)826/13-14(04) -- Paper on applications for domestic free television programme service licences prepared by the Legislative Council Secretariat (Updated background brief)

LC Paper No. CB(4)827/13-14(01) -- Eight submissions from members of the public dated 7 June 2014 on application for a domestic free television programme service licence by Hong Kong Television Network Limited (Chinese version only)

Presentation by the Administration

3. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") advised that the Communications Authority ("CA") was conducting a public consultation exercise on the application for a domestic free television programme service licence ("free TV licence") submitted by Hong Kong Television Network Limited ("HKTV") in April 2014. Chairman of the Communications Authority ("C of CA") then briefed members on the mechanism for and factors to consider in handling the application. Details of the briefing were set out in the paper provided by the Office of the Communications Authority ("OFCA") (LC Paper No. CB(4)826/13-14(03)).

Discussion

*Factors to consider in assessing the application*

4. Ms Claudia MO welcomed HKTV's fresh application for free TV licence after its failure to apply for a free TV licence in October 2013. She enquired whether HKTV's application would have any bearing on the CA's consideration of the applications for renewal of the free TV licences by Asia Television Limited and Television Broadcasts Limited. Sharing a similar view, Mr MA Fung-kwok enquired about the factors to be considered by the CA in processing HKTV's licence application as well as the progress in processing the two applications for free TV licences submitted by Hong Kong Television Entertainment Company Limited and Fantastic Television Limited, which had been granted with approvals-in-principle ("AIPs").

5. C of CA advised that HKTV's application for free TV service would be considered simultaneously with but separately from the licence renewal applications of the two existing free TV licensees on which the CA should submit its recommendation to the Chief Executive ("CE") in Council by November 2014. The CE in Council would then make a final decision on the licence renewal applications before November 2015.

6. As regards the processing of the applications for free TV licences to which AIPs had been given, C of CA advised that the CA would ascertain the applicants' compliance with the statutory requirements, including that an applicant should not be a subsidiary of a corporation. According to section 8(3) of the Broadcasting Ordinance ("BO") (Cap. 562) and section 2 of Schedule 4 to the BO, a free TV licence should not be granted to or held by a company which was the subsidiary of a corporation. Besides, the applicants would be required to give confirmation and undertakings on a number of issues as ordered by the CE in C, e.g. they would not bundle their free TV services with their pay TV services. Negotiations with the two applicants on the above were underway.

7. In response to Mr SIN Chung-kai's enquiry about the timing of launching free TV services of the new licensees who had been granted AIPs, PSCED(CT) advised that a new free TV broadcaster would be required to launch its service within 12 months after the grant of licence.

8. Mr Charles Peter MOK noted that HKTV had submitted a different plan in its new application for a free TV licence, such as investing a total of \$3,447 million in programming expenditure, capital expenditure and operating expenditure in its first six years of operation, which amounted to three times of investment of its original plan submitted in its previous application in 2010. In this regard, he enquired if a new consultant would be engaged to advise on the competitive environment of the local TV market, and whether the CA would consider HKTV's application on the basis of the criteria employed by the CE in Council in assessing HKTV's previous

application and submit its recommendation to the CE in Council after consideration.

9. C of CA advised that a consultant would be engaged according to established procedures to provide advice in relation to HKTV's application. The CA would consider the application impartially according to its own guidelines, i.e. the Guidance Note For Those Interested in Applying For Domestic Free Television Programme Service Licences in Hong Kong, which was a public document, and submit its recommendation to the CE in Council once ready.

10. Quoting from the factors to be considered by the CA in assessing HKTV's application as listed in the paper provided by the OFCA, Mr CHAN Chi-chuen enquired about the CA's assessment on the potential impact of a new free TV licensee on the local TV market.

11. C of CA advised that the consultant would not only conduct a free TV market analysis at this point in time but also look at different scenarios and the impact of a possible new entrant on the competitive environment of the local TV market. Having obtained all the necessary information, the CA would then make an overall assessment of the local free TV market condition.

12. Noting that there was no time limit to which an applicant could make a fresh licence application after each failure, Mr Paul TSE expressed concern about the heavy costs incurred by the CA in engaging a consultant to study the free TV market each time when a new application was received.

13. DGC advised that under the BO, the CA must make a recommendation to the CE in Council upon receipt of a licence application. The expense involved in the engagement of consultant would be met by the OFCA's operating expenditure. Although the BO did not impose any statutory deadline on the CA for making recommendations to the CE in Council on licence applications, the CA would assess the application prudently and submit its recommendations to the CE in Council as soon as practicable.

#### *Broadcasting policy*

14. Ms Emily LAU urged the Administration to observe procedural justice in considering HKTV's application by avoiding ruling out the CA's recommendation without providing any sound reasons. She also enquired if the Administration had issued any instructions to the CA or set any upper limit on the number of free TV licences, and whether there was any change in the Government's established broadcasting policy. In this regard, Mr YIU

Si-wing enquired if the CA or the Administration would relax its assessment criteria in response to public pressure for the issuing of a free TV licence to HKTV. Sharing a similar view, Mr Ronny TONG enquired how the CA would resolve the issue in the event of the difference in opinion between the CA and the CE in Council on the application.

15. C of CA advised that neither was there any instruction from the Administration regarding a change in policy on the issuing of free TV licences, nor an upper limit on the number of free TV licences to be issued by the CE in Council. The CA was an independent statutory organization, and no pressure of any kind would influence the CA in making an impartial decision on the application. Due to the difference in functions, it was possible that the CA and the CE in Council might have different opinions on an application.

16. PSCED(CT) advised that there was no change in the Administration's policy of introducing more competition to the free TV market. As reiterated by the Secretary for Commerce and Economic Development on many occasions, having considered holistically all the relevant factors and the overall development of the local free TV market, the CE in Council decided in October 2013 that a gradual and orderly approach should be adopted in considering the three free TV licence applications.

*Application from HKTV and the public consultation*

17. In response to Mr NG Leung-sing's enquiry about the number of submissions received so far regarding the public consultation on the application for a free TV licence submitted by HKTV and the deadline for the CA to process the application, Deputy Director-General of Communications (Broadcasting) advised that more than 10 000 submissions were received during the six-week public consultation. The views received would be collated and announced in tandem with the CE in Council's decision on the application.

18. Noting media reports that Mr Ricky WONG, Chairman of HKTV was involved in a criminal case in the Mainland, Mr WONG Ting-kwong enquired if HKTV's application would be affected. C of CA advised that section 21(1) of the BO required that a television programme service licensee and any person exercising control of the licence should be and remain a fit and proper person. Pursuant to section 21(4) of the BO, in determining whether a licensee or person exercising control over the licence was a fit and proper person, account should be taken of the criminal record of the licensee or person in Hong Kong and places outside Hong Kong, and the record of the



licensee or person in situations requiring trust and candour.

19. In response to Mr WONG Ting-kwong's and Dr CHIANG Lai-wan's enquiry about HKTV's financial soundness and commitment to investment, DGC advised that the CA would take into consideration the assessment criteria set out in the CA's guidance note for applications for free TV licences. The investment commitment made in HKTV's application would become part of the licence conditions if the licence was to be granted. Apart from routine monitoring of compliance with programming requirements, the CA would monitor the licensees' compliance with the licence conditions through mid-term review.

#### **IV. Information security**

(LC Paper No. CB(4)826/13-14(05) -- Administration's paper on information security

LC Paper No. CB(4)826/13-14(06) -- Paper on information security prepared by the Legislative Council Secretariat (Updated background brief)

LC Paper No. CB(4)926/13-14(01) -- Administration's paper on progress report on information security (power-point presentation material))  
(Chinese version only)  
(tabled at the meeting and subsequently issued vide email on 24 July 2014)

#### Existing regulatory regime

20. Noting the mushrooming of technology crime and the number of cases involving unauthorized use of computers, Mr Ronny TONG opined that a review of the relevant legislation should be carried out to step up protection of information security in Hong Kong.

21. Government Chief Information Officer ("GCIO") advised that existing legislation already provided protection of information security. Apart from the offence of obtaining access to a computer with intent to commit an offence or with a dishonest intent under the Crimes Ordinance (Cap. 200), the offence of obtaining unauthorized access by telecommunications to computers under the Telecommunications Ordinance (Cap. 106), and the offence of destroying, defacing, concealing or falsifying records kept by

computer under the Theft Ordinance (Cap. 210) also provided effective protection against unauthorized use of computers.

Information security threats

22. Noting the cyber attack in June 2014 on Project PopVote, a website established to gauge support for universal suffrage, Mr Charles Peter MOK enquired about the follow-up actions taken by the Administration in the aftermath of the attack, and whether any prosecutions had been taken against similar attacks in the past. In this regard, Mr YIU Si-wing enquired about the channel for individual organizations to seek assistance in case of a cyber attack. Sharing a similar view, Ms Claudia MO enquired about the measures taken by the Administration to guard against the emergence of cyber threats.

23. Deputy Government Chief Information Officer (Consulting and Operations) ("DGCIO") advised that having noted the media reports on the attack, the Office of the Government Chief Information Officer ("OGCIO") had taken the initiative of liaising closely with the stakeholders, including the Hong Kong Internet Registration Corporation Limited, the Hong Kong Internet Exchange of the Chinese University of Hong Kong and the Internet service providers, with a view to strengthening protection against cyber attacks on the critical infrastructures. DGCIO added that in 2012, the perpetrator of a distributed denial-of-service attack against the Hong Kong Stock Exchange was convicted of accessing a computer with criminal or dishonest intent. GCIO added that in case of cyber attack, individual organizations could seek assistance from the Hong Kong Computer Emergency Response Team Coordination Center ("HKCERT"), which was the centre for coordination of computer security incident response for local enterprises and Internet users.

24. Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") further advised that in 2012, the Hong Kong Police Force ("HKPF") established the Cyber Security Centre to enhance protection of Hong Kong's critical infrastructures and strengthen Hong Kong's resilience capabilities against cyber attacks. HKPF planned to extend the roles and responsibilities of their existing Technology Crime Division to a new Cyber Security and Technology Crime Bureau in the latter part of 2014, with the objectives to strengthen HKPF's capabilities in protecting information systems of critical infrastructures, as well as meeting the various challenges of emerging technology crimes.

25. PSCED(CT) added that whilst the HKPF would focus on investigation and prosecution, the OGCIO would work proactively to promote awareness

and education in information and cyber security, and collaborate with local and overseas stakeholders to strengthen the collection and sharing of security intelligence.

26. Noting media reports on hidden malicious software in mobile applications ("apps"), Dr Elizabeth QUAT enquired about the measures to protect the information security in mobile devices. DGCIO advised that the Administration attached great importance to the security of mobile apps. In this regard, security tips for using mobile apps were disseminated through the Government's InfoSec portal (www.infosec.gov.hk), a dedicated webpage of the HKCERT and seminars organized by the OGCIO.

## **V. Progress update on digital economy**

(LC Paper No. CB(4)826/13-14(07) -- Administration's paper on facilitating a digital economy

LC Paper No. CB(4)826/13-14(08) -- Paper on facilitating a digital economy under the Digital 21 Strategy prepared by the Legislative Council Secretariat (Updated background brief)

LC Paper No. CB(4)926/13-14(02) -- Administration's paper on progress report on digital economy (power-point presentation material))  
(Chinese version only)  
(tabled at the meeting and subsequently issued vide email on 24 July 2014)

### Presentation by the Administration

27. At the invitation of the Chairman, Under Secretary for Commerce and Economic Development ("UCED") briefed members on the progress of initiatives to facilitate a digital economy under the Digital 21 Strategy. Details of the briefing and presentation were set out in the papers provided by the Administration (LC Paper No. CB(4)826/13-14(07) and CB(4)926/13-14(02)).

### Data centre development

28. Noting media reports that Google had shelved its plan to set up a data centre in Hong Kong on the grounds of lack of land available for future expansion, Mr Christopher CHEUNG expressed concern that the lack of land

could be a hindrance to the development of data centres in Hong Kong.

29. Government Chief Information Officer ("GCIO") advised that since 2001, the Hong Kong Science and Technology Parks Corporation had provided some 19 hectares of land in industrial estates for data centre development. Over the years, more than 50 overseas enterprises had set up data centres in Hong Kong. GCIO added that two incentive measures were launched in June 2012 to encourage the conversion of eligible industrial buildings for data centre use and development of high-tier data centres in industrial lots. Responses from the industry had been encouraging with a total of 12 applications received.

Hong Kong's information and communications technology ("ICT") environment and adoption of ICT among small and medium enterprises ("SMEs")

30. Dr Elizabeth QUAT noted that notwithstanding Hong Kong's world-class ICT infrastructure, the ICT sector's contribution to gross domestic product remained low (6.2%) compared to other countries such as Israel, Finland and South Korea which had double-digit figures. She also noted that the public sector's investment in ICT remained relatively low. She urged the Administration to put forward initiatives to encourage investment in ICT by both the private and public sectors. At the request of Dr QUAT, the Administration agreed to provide information on Government's funding in the research and development on ICT products.

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31. In response to Ms Emily LAU's enquiry about the reasons for the persistent low adoption rate among SMEs, GCIO advised that according to the Report on Survey on Information Technology Usage and Penetration in the Business Sector for 2013, the major reason of SMEs for not using computers, Internet, and having webpage was lack of practical use for a sound business case for adoption. In order to promote ICT adoption among SMEs, OGCIO organized a series of events under the brand name of "中小企和IT人有個約會" featuring short one-on-one exchange sessions between small-scale IT companies and SMEs to discuss how ICT solutions could address SME's business needs.

32. Mr YIU Si-wing said that he had attended an exchange session of "中小企和IT人有個約會" for the travel industry, and opined that it was a good opportunity for local ICT companies to understand the business requirements of SMEs. At the request of Mr YIU, the Administration agreed to provide information on the effectiveness of and the expenditure involved in organizing the series of events, as well as the follow up actions taken after the

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events.

33. In response to the Chairman's enquiry about the effectiveness of the Sector-specific Programme and the IT Training Programme, GCIO advised that funding support had been provided to 24 projects in 17 sectors since the launch of the programmes in 2004. Twenty-two projects had been completed as at June 2014 and the majority of such projects were adopted by the industry.

34. Mr Charles Peter MOK opined that the Administration should take the lead to use the products and services of the local ICT industry, implement measures to attract foreign investment and provide suitable land for the development of the local ICT industry. He hoped that the Administration could provide more information in these three aspects in the information papers for future briefings. In this regard, Ms Emily LAU hoped that more information on the adoption of ICT among local SMEs could be provided in the information papers to facilitate discussion at future Panel meetings.

## **VI. Any other business**

35. Mr Christopher CHEUNG and Mr NG Leung-sing sought clarification on a news report about their low attendance rates at Panel meetings. The Clerk advised that according to the Secretariat's record, the attendance rates of Mr CHEUNG and Mr NG (not including the meeting on 22 July 2014) were 88% and 81% respectively.

36. The Chairman thanked members and representatives of the Administration for attending the last Panel meeting of this legislative session and their contributions in past meetings. He also thanked the Secretariat for servicing these meetings.

37. There being no other business, the meeting ended at 4:15 pm.