



Mr Colin CHUI
Clerk to the Panel on Welfare Services
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHUI,


Panel on Welfare Services
Follow-up to the Meeting on 14 April 2014

At the meeting on 14 April 2014, the Panel on Welfare Services requested the Administration to provide supplementary information on the following two items:

- (a) Information in relation to the payback period for the establishment of the next generation information technology infrastructure for the Social Welfare Department (SWD); and
- (b) A list of 52 application systems currently in use in SWD.

The Administration's responses to the two items above are set out at **Annex A** and **Annex B** respectively.

Yours sincerely,


(Mrs CHOY WONG Lai-chun)
for Director of Social Welfare

Annex A

The establishment of the next generation information technology infrastructure (ITI) for the Social Welfare Department (the Project), which involves a one-off non-recurrent cost of \$176 million, aims at improving the ITI of the Department as a whole through replacement of ageing hardware, software and network equipment; improving system efficiency and effectiveness by leveraging advanced data centre design and cloud technology; as well as enhancing security management, etc.

2. Since the Project is to replace and enhance the existing data centres, file servers, communication network, personal computers, etc. with no involvement of any streamlining or automation of work processes performed by staff, the Project will not result in huge manpower savings or cost avoidance. We estimate that the proposed replacement of ITI will generate annual recurrent **savings of \$14.18 million**, being notional staff savings and cost avoidance for new servers and related maintenance costs. Though the Project does not generate considerable recurrent savings, it will bring about substantive benefits to the Department, including improvement of system efficiency and effectiveness, enhancement of information security and increase in network bandwidth, etc.

3. On the other hand, the ongoing maintenance and support of the new ITI will require an estimated recurrent cost of \$53.70 million per annum, i.e. an **increase of \$29.91 million** as compared with the current recurrent expenditure of \$23.79 million per annum. The significant increase in annual recurrent expenditure is mainly due to the growing complexity of the new ITI, which includes cloud service, mobile application system and advanced security system etc., resulting in higher system management and support contract service charges, as well as higher hardware and software maintenance expenses. Furthermore, higher rental charges of new data centres and communication lines with greater bandwidth will be incurred.

4. Given that the annual amount of recurrent savings of \$14.18 million is less than the annual increase of \$29.91 million in recurrent expenditure, there will be no payback period for the Project. The recurrent savings and expenditure analysis is at the Appendix.

5. By nature of ITI projects, as they do not involve any streamlining or automation of work processes performed by staff, they will not result in huge manpower savings. It is therefore common that there are no payback periods for the Project and ITI projects of similar nature implemented by other government bureaux and departments.

Recurrent Savings and Expenditure Analysis**(I) Estimated Recurrent Savings**

	<u>Item</u>	<u>Annual Amount</u> (\$'Mn)
(a)	Notional staff savings	13.250
(b)	Cost avoidance for new servers and related maintenance costs	0.931
	Total:	14.181

(II) Estimated Additional Recurrent Expenditure

	<u>Item</u>	<u>Annual Amount</u> (\$'Mn)
(a)	Recurrent expenditure for supporting the new ITI	53.697
(b)	Recurrent expenditure for supporting the existing ITI	-23.786
	Total:	29.911

Since the annual amount of recurrent savings of \$14.18 million is less than the annual increase of \$29.91 million in recurrent expenditure, there will be no payback period for the Project.

**List of 52 Application Systems
Currently in Use in the Social Welfare Department
(As at April 2014)**

1. Financial Management and Accounting Systems (17)

- Accounting and Management Information System
- Annual Estimates Production System
- Correctional Services Department - e-Ordering Portal
- Departmental Stores Ledger Posting System
- District Support Scheme for Children and Youth Development - System for Direct Cash Assistance
- General Demand Note System
- Government Logistics Department (GLD) - e-Ordering System for Printed Forms
- GLD - e-Ordering System for Unallocated Stores
- Government Financial Management Information System
- Lotteries Fund Grant Information System
- Mandatory Provident Fund Trustees System
- Payroll System for Civil Service Staff
- Payroll System for Non-civil Service Contract Staff
- Procurement and Contract Management System
- Subvention Computing System
- Treasury File Transfer System
- Untaken Leave Liabilities System

2. Administration and Management Systems (13)

- Barcode File Management System
- Complaints Register
- Homepage Content Management System
- Human Resource Management System
- Legislative Council Special Finance Committee Questions & Answers System

- Licence Management System for Residential Care Homes for Persons with Disabilities
- Licence Management System for Residential Care Homes for the Elderly
- Lotteries Fund Projects Information System
- On-line Library Searching System
- Paperless Meeting System
- Register on Visitors received by Social Welfare Department (SWD)
- Services Performance Management Information System
- Volunteer Information System

3. Websites (10) and Mobile Apps (2)

- Cyberable.net Website
- SWD Departmental Portal
- Family Life Education Resources Centre Website and Loan Management System
- Family-land Website
- “Let Them Shine 美食” [Mobile Apps - developed by Marketing Consultancy Office (Rehabilitation)]
- Marketing Consultancy Office (Rehabilitation) Website
- Senior Citizen Card Scheme [Mobile Apps - developed by Senior Citizen Card Office]
- SWD e-Learning Centre
- SWD Homepage
- SWD Intranet
- Vacancies Position of Emergency Placements in Residential Child Care Services
- Volunteer Movement Website

4. Information Systems for Services Application, Waitlisting and Provision (8)

- Child Home Data Matching Program
- Client Information System
- Clinical Psychological Services Information System

- Community Care Services Voucher for the Elderly System
- Computerised Social Security System
- SWD Departmental Hotline System
- Long Term Care Services Delivery System
- Senior Citizen Card System

5. Systems in Support of Services of Other Public Organisations (i.e. Commission on Poverty and Hospital Authority) (2)

- Community Care Fund System
- E-Waiving System