**For discussion
on 19 January 2015**

**2015 Policy Address
Policy Initiatives of
Communications and Technology Branch,
Commerce and Economic Development Bureau**

Our Vision

The Government's vision is to develop the economy to encourage industries to expand and thrive. In relation to communications, technology and creative industry, we work to further the development of technology-based industries, enhance Hong Kong's position as a regional communications hub, seek to maintain our position as Asia's leading digital city and at the same time continue to foster the development of creative industry with a view to building Hong Kong into a regional creative capital.

New Initiatives

Information and Communications Technology (ICT)

Government-wide release of public sector information

2.   The Data.One public sector information (PSI) portal (http://data.one.gov.hk) now provides some 3 000 datasets in 17 categories for free re-use. Leveraging community wisdom to process and mesh different types of data, provision of PSI for value-added re-use spurs the development of innovative products and services that bring convenience to the public, create business opportunities and even lead to positive social outcomes. To fully tap the potential of PSI, we will make available all open government data in digital format from 2015 onwards. The Office of the Government Chief Information Officer (OGCIO) will work closely with bureaux and departments in releasing data on the PSI portal for digital re-use.

Creative Industries

Funding support for the Hong Kong Design Centre

3.   The Hong Kong Design Centre (HKDC) has been the Government's key partner in promoting the development of the local design sector and nurturing design talents and start-ups. The HKDC has been in operation for 14 years and has established itself as the focal point for information on design know-how and business networking, as well as an active organiser of design-related events, which benefit designers, the business sector, students and the general public. Over the years, the focus of the HKDC's programmes has been evolving to address the needs of the local design sector and in response to the changing global and regional design landscapes. In the past two and a half years, the HKDC has spent considerable efforts in raising the profile of the Hong Kong design sector both internationally and in the Mainland, in providing opportunities for young design talents, in nurturing design start-ups through the Design Incubation Programme, and in raising the standards of practitioners through a series of executive and professional training programmes. Efforts were also made in enhancing awareness of the business sector in the importance of design through signature events like the Business of Design Week.

4.   We have since the establishment of the HKDC in 2001 provided funding to support the basic operation of the HKDC, covering the organisation of some basic activities such as designer-business networking activities, seminars, workshops, etc. The funding support for HKDC will lapse in end June 2015.

5.   In recognition of the public services provided by the HKDC and the merits of the HKDC's work over the years, we propose allocating $80 million to support the basic operation of the HKDC from July 2015 to March 2019 so as to provide continuous support for the trade. As in the past, Government will enter into a funding agreement with the HKDC. Disbursement of funding to the HKDC will be subject to Government's acceptance of the HKDC's annual plans, operational reports, budgets and audited financial statements. We will commence a review on the financial position and the long-term funding arrangement for the HKDC in 2016.

6.   We will include and reflect the above proposed time-limited funding support for the HKDC in the 2015-16 Draft Estimates of the

Communications and Technology Branch of the Commerce and Economic Development Bureau. We will also provide details of the funding proposal for discussion at the meeting of this Panel in February 2015.

Funding injection into the Film Development Fund

7. The Government set up the Film Development Fund (FDF) in 1999 to finance projects conducive to the long-term development of the film industry. The scope of the FDF was expanded in 2007 to provide financial support for the production of small-to-medium budget films. A review on the FDF completed in 2014 concluded that the FDF was effective in encouraging local film productions, nurturing film talents and promoting Hong Kong films locally and abroad. Since 2007, FDF has partially financed 30 film productions, of which 16 directors and 13 producers take up such roles for the first time in commercial film productions. Furthermore, the FDF has provided funding support to 121 other film-related projects which include assisting Hong Kong films in participating in international film festivals. The continued support from the FDF will be beneficial for encouraging more Hong Kong film production, nurturing talent, and promoting Hong Kong films. Members of the Film Development Council (FDC) were briefed on the review findings in. June 2014. As the funding of the FDF is expected to be exhausted in mid-2015, we propose injecting another $200 million into the FDF to sustain its operation.

8. With the injected funding, we will introduce a new Film Production Grant Scheme under the FDF to provide a grant, capped at $2 million per film project, to subsidise low-budget film productions with a production budget not exceeding $10 million per film. The proposed new scheme seeks to encourage more commercial investment in film productions, create employment opportunities for nurturing talents in the production and post-production sectors of the local film industry. The grant will cover, among others, salary cost of the film production crew who are Hong Kong permanent residents.

9. Furthermore, we will enhance the existing mechanism of the FDF for financing film-production projects by raising the upper limit of the production budget of a film project to be partially financed by the FDF from $15 million to $25 million. It is envisaged that the expanded scope of the budgetary eligibility criterion will help boost the production volume of local films.

10.   The First Feature Film Initiative (FFFI), which was launched in March 2013 on a pilot basis to identify new film talents and support them in producing commercial movies, has successfully groomed new filmmakers and their production teams.   We will launch the FFFI again in 2015 and raise the level of cash grant as appropriate in order to help the winning teams cope with the rising cost of film production.

11.   As in the past, the Government will put in place suitable control and review measures and assess individual applications having regard to the recommendations of the FDC or its Fund Vetting Committee.

12.   We will include and reflect the proposed injection into the FDF in the 2015-16 Draft Estimates of the Communications and Technology Branch of the Commerce and Economic Development Bureau.   We will also provide details of the funding proposal for discussion at the meeting of this Panel in March 2015.

Encouraging the development of cinemas

13.   We cherish the important roles played by cinemas.   Cinemas provide venues for social and entertainment activities, cultivate audience for movies, and foster a creative atmosphere within the community.   In addition, they bring rippling effects for the neighbouring economic activities by capturing high consumer traffic.   The Government will consider reserving space for cinemas in major cultural and entertainment development areas, and will explore ways to facilitate cinema development through land sale and planning.

Telecommunications and Broadcasting

Review of the Telecommunications Ordinance (TO) and the Broadcasting Ordinance (BO)

14.   We have adopted a staged approach in modernising the regulatory regime for the telecommunications and broadcasting sectors. As the first step, the Communications Authority (CA) was established on 1 April 2012 in accordance with the Communications Authority Ordinance, and we committed to carrying out a review of the existing regulatory regimes and introducing legislative changes to update and rationalise the TO and the BO upon establishment of the CA.   We will consult the Panel on Information Technology and Broadcasting and seek

the support of the Establishment Subcommittee and Finance Committee on the proposed creation of one supernumerary Administrative Officer Staff Grade B post and one supernumerary Administrative Officer Staff Grade C post to lead a team in reviewing the TO and the BO.

On-going Initiatives

Information and Communications Technology (ICT)

New Strategy for ICT Development in Hong Kong

15.   With the rapid advancement in technology, we have reviewed and formulated the new Digital 21 Strategy.   The new "Smarter Hong Kong, Smarter Living" Strategy sets out the framework for Hong Kong to leverage on new technologies to propel continuous economic and social development on various fronts, and to deliver intuitive and integrated e-services to the public with a view to fostering a thriving ICT industry. The Strategy will be taken forward in due course.

ICT Professional Recognition Framework

16.   During the first half of 2014, the Task Force on ICT Professional Development and Recognition held a series of consultation sessions with relevant stakeholder groups and consulted Members on the proposed ICT professional recognition framework.   With reference to the comments received, the Task Force has formed three working groups involving wider industry participation to further examine three major areas: (1) cross recognition with the Mainland and the world; (2) impacts on small and medium sized enterprises; and (3) recognition of technologists in addition to professionals.   The Task Force will consider the recommendations prepared by the working groups as well as the comments made by Panel Members before making proposals on the development of the proposed recognition framework.

Government Data Centre Complex

17.   Members supported in December 2014 the proposal to acquire pre-construction consultancy services for carrying out the design and site investigation for the construction works of a government data centre complex to support the long-term demands of data centre services in bureaux/departments.   Subject to the funding approval by the Finance

Committee, the pre-construction consultancy services will commence in 2015.

International IT Fest

18.   We organised the second International IT Fest in April 2014, featuring 38 events to showcase Hong Kong's ICT achievements and promote Hong Kong's image as a leading ICT hub in the Asia Pacific region. We will continue to organise IT Fest 2015 on 9-23 April.   Some 50 events by 44 organisations will be held during the Fest, focusing on IT education for youngsters, startups, e-commerce, smart city and cyber security.

City-wide Wi-Fi for the Public and Visitors

19.   We launched the Hong Kong's common Wi-Fi brand, "Wi-Fi.HK", in August 2014 to promote the Wi-Fi services which are offered by the public and private sectors completely free of charge or free for a certain period of time to make it easier for the public and visitors to search and access the free public Wi-Fi.HK hotspots in Hong Kong.   At present, there are over 10 000 hotspots under the Wi-Fi.HK brand and we will continue to promote Wi-Fi.HK so as to add more free hotspots under the brand.   For the free Government Wi-Fi (Gov*WiFi*) service, we will continue to extend it to more government premises including clinics and leisure locations such as promenades.

Facilitating and Promoting Development of Cloud Computing Services and Standards

20.   We continue to promote the development and adoption of cloud computing through workshops, expert group meetings and the cloud computing portal that enhance the awareness of various stakeholders on cloud computing services and security standards.   In December 2014, we issued the "Hong Kong / Guangdong Practice Guide for Procuring Cloud Services" through the collaboration of the Hong Kong and Guangdong governments and experts of the two places.   The two governments are also working together with the cloud industry players to conduct a pilot testing over the cloud security assessment guidelines and evaluation schemes that will be applicable to both places.

Information Security

21.   The Government attaches great importance to information and cyber security.   To ensure that the implemented security measures are adequate to meet new security challenges, the Office of the Government Chief Information Officer has required all bureaux and departments to step up protection on government information systems and data.   In 2014, we have conducted security risk assessments and penetration tests for government websites to reassure their defensive capabilities and minimise security risks.   We have also arranged advanced cyber security training for information security practitioners in the Government to improve their knowledge and skills to tackle the challenges arising from emerging cyber threats.   We also convened roundtable meetings with local security experts, Internet service providers and critical infrastructure operators to discuss measures to enhance coordination and collaboration in protecting the overall cyber environment in Hong Kong.

22.   To raise public awareness and knowledge on information security, we are using various publicity channels, including media channels, websites, public seminars and contests to enable businesses, students and the general public better understand the potential security risks and take early precautionary measures against cyber attacks.   We will soon launch a thematic "Cyber Security Information Portal" (www.cybersecurity.hk) to provide further guidance for the public to conduct health check on their computers and mobile devices, together with other practical advice to protect themselves from cyber attacks.

Data Centre Development

23.   To support the development of data centres, two incentive measures have been implemented since June 2012 to encourage the conversion of industrial buildings into data centres and the development of high-tier data centres on existing industrial lots.   This measure are very well-received.   So far, 13 applications were received, of which 10 have been approved.   Moreover, we are working with relevant government departments to make available the second one-hectare site in Tseung Kwan O for data centre use.   We will continue to provide one-stop support services to facilitate the development of data centres to provide the necessary infrastructure to support the sustainable development of various economic sectors.

New Hosting Infrastructure for E-Government Services

24.   In April 2011, the Finance Committee of the Legislative Council approved a funding commitment of $135 million for the development of a new hosting infrastructure with higher hosting capacity for e-government services.   We launched the new infrastructure in September 2013.   As at 31 December 2014, 32 new services on top of the original 118 services have been included.   The hosting capacity of the new infrastructure is being progressively expanded to cater for more new services using an on-demand incremental approach.   Upon full development, it will be able to host a total of 100 additional e-government services.

Next Generation of E-Government Services

25.   The number of accounts on MyGovHK, the personalised platform on the Government's one-stop portal, has continued to grow since its launch in December 2010, reaching 187 000 in December 2013 and over 250 000 in December 2014.   To enhance user experience and meet the ever-increasing demand of the public for mobile services, the mobile version of MyGovHK was developed and launched in September 2014.

26.   Mobile technology enables a new breed of e-government services.   The public expects access to information and services anytime, anywhere.   As at 31 December 2014, there are 96 Government mobile applications and 71 mobile websites.   OGCIO will continue to support bureaux and departments to develop quality mobile e-government services leveraging on the unique capabilities of mobile technology.

Enhancing the Adoption of ICT among SMEs

27.   The Government has been implementing various programmes since 2004 to encourage SMEs to take advantage of ICT to enhance efficiency and productivity.   In 2014, we provided funding support to the security industry to implement a "Security Cloud Human Resources Management System" under the Sector-specific Programme (SSP) for paperless recruitment and other human resources management work. The project commenced in August 2014 and will be completed by end 2015.

28.   Cloud computing allows SMEs to adopt ICT solutions that are suitable for their scale of operation.   We launched the InfoCloud portal and published a practice guide for procuring cloud services to provide

SMEs with information on cloud computing, user guides and best practices. To drive the adoption of cloud computing services among SMEs, we launched a "SME Cloud Promotion Campaign" in December 2014, providing free training and organising promotional activities to enhance SMEs' awareness and understanding of cloud computing services.

29. To provide opportunity for SMEs to know more about ICT solutions suitable for their operations and for local ICT companies to seek business collaboration with potential clients, we organised three events under the brandname "中小企和 IT 人有個約會" in 2014, each comprising a number of short one-on-one exchange sessions between SMEs and local ICT companies. A total of 67 SMEs and 73 ICT companies took part in the three sessions, one for SME business generally and the other two targeting the travel industry and catering industry respectively. Participants found the sessions useful, with SMEs gaining better appreciation of how ICT could help them grow their business and ICT companies widening their business network and learning more about SMEs' business requirements which would help them develop ICT solutions for SMEs in future. In view of the positive outcomes, we will continue to organise the event regularly using a sector-specific approach to promote wider adoption of ICT among SMEs.

ICT Manpower Development

30. The Government will continue to work closely with the academia and the industry to participate actively in IT career talks, exhibitions and activities, and to provide information on IT studies and career to students and their parents through multiple channels including our one-stop "Student IT Corner" website.

31. IT is embedded in practically all spheres of economic activity and there is an increasing demand for IT talents in different domains. We have proposed to introduce a two-pronged Enriched IT Programme in Secondary Schools (Programme) to groom IT talents. Up to eight secondary schools will be selected as partner schools to run enriched IT classes for students who are willing to put in extra hours for more vigorous and advanced training in IT. In addition, we will also invite interested schools to organise some 50 IT activities in the school community each year. A Steering Committee comprising representatives from the Government, tertiary institutions, industry bodies and IT teacher associations has been set up to develop the curriculum framework for the Enriched IT Class. Upon funding approval by the

Finance Committee, we will invite secondary schools to submit proposals to be partner schools. We aim at commencing the Programme in the 2015/16 school year.

E-cheques

32.   In view of the increasing popularity of Internet banking, Hong Kong Monetary Authority and the banking sector plan to introduce e-cheque as an alternative payment method. We will amend the Electronic Transactions Ordinance to give e-cheques the same statutory effect as their paper-based counterparts. The proposed amendment, which was tabled at the Legislative Council in December 2014, will come into effect on 1 April 2015 to enable the launch of e-cheque in end 2015 as scheduled.

Collaboration with the Mainland

33.   Hong Kong will continue to work closely with the Mainland to promote technology exchange and facilitate cross-boundary e-commerce. In particular, we collaborated with Guangdong to drive the development and adoption of cloud computing and promulgate best practices and associated security standards. Together with our ICT industry, we took part in major exhibitions, forums and conferences in the Mainland with a view to creating business opportunities for Hong Kong's innovative ICT products and services.   With our facilitation, Cyberport has entered into strategic partnerships with major ICT corporations in the Mainland to spur ICT research and development work in Hong Kong, provide incubation opportunities for Hong Kong ICT startups and help locally developed apps access the Mainland market.   We will continue with this line of work to open up more business opportunities for our ICT industry.

Digital Inclusion

34.   The Government has put in place a comprehensive digital inclusion programme to help underprivileged groups leverage technology to enhance their quality of living and connect with the society. The programme covers various needy groups, with targeted measures for the elderly, persons with disabilities, and students from low-income families.

35.   For the elderly, in 2014, we have commissioned three social service organisations to reach out to some 1 000 institutionalised or "hidden" elderly to arouse their awareness and interests in using ICT.   In view of positive response, we will continue to organise similar outreach

programmes for seniors with limited mobility.

36.   For persons with disabilities, we have continued to promote the adoption of accessible design in websites and mobile apps.   In the 2014 round of the Web Accessibility Recognition Scheme, a total of 136 websites and 31 mobile apps from 110 organisations of different sectors, nearly doubling that of 2013, were awarded.

37.   For students of limited means, the "i Learn at home" Internet Learning Support Programme is progressing on course.   Service take-up has improved since we refined the implementation arrangements in 2013-14 school year by setting up a common repertoire of product offers and beefing up technical support services.   We will continue to foster awareness so that eligible students know how to get timely support as and when need arises.

38.   In addition, given that ICT solutions and mobile apps are very useful to needy groups but there is not much commercial incentives for developing solutions and applications for them due to small market and special user requirements, we provided funding support to social service organisations to develop innovative and practical applications for needy groups. Seven mobile apps have been produced for autistic children, the elderly, ethnic minorities as well as persons with visual, hearing, physical and cognitive disabilities.   They are well received by the target users, and one of them won a bronze award in Hong Kong ICT Awards 2014. We will launch a new batch of five mobile apps for visually impaired students, hearing impaired persons, persons beset with dementia and children with dyslexia respectively in 2015.

Creative Industries

Encouraging cinema patronage for Hong Kong produced movies

39.   We will provide funding support to the Hong Kong International Film Festival Society for continuing to host the Cine Fan Club Programme, which consists of screenings and discussion forums.   The programme seeks to attract more young audience to patronise cinema and watch local and foreign classic films, so as to groom their knowledge and interest in film.

Supporting and encouraging the trade to organise programmes at the Comix Home Base and PMQ

40.   The Comix Home Base (CHB) at Wan Chai and the PMQ at Hollywood Road, Central are two new additions to Hong Kong's creative landmarks.   To promote CHB and facilitate development of the local animation and comics industries, we have provided funding under the CreateSmart Initiative (CSI) for trade bodies to host promotional activities at CHB.   Create Hong Kong (CreateHK) has so far supported four exhibitions held at CHB.   In 2015, CreateHK will sponsor an animation exhibition and a series of comic exhibitions and workshops held at CHB.

41.   Since the opening of PMQ in June 2014, CreateHK has sponsored through the CSI various programmes held at PMQ, including the Knowledge of Design Week 2014 organised by the Hong Kong Design Centre and DETOUR 2014 organised by PMQ.   Riding on the success of these programmes, CreateHK will continue encouraging the trade to organise more programmes at PMQ.

Broadcasting Service

TV Broadcasting

42.   The Government will continue to promote the development of Digital Terrestrial Television (DTT) in Hong Kong. The two domestic free television programme service (free TV) licensees launched their respective DTT services in end 2007 and are responsible for constructing the DTT network in order to provide a territory-wide coverage. The latest DTT network coverage stands at around 99%, on par with that of the analogue TV broadcasting. The DTT take-up rate (the percentage of households capable to receive DTT services) is above 80%. We will continue our publicity efforts to further boost up the DTT take-up in Hong Kong.

43.   At the same time, we will continue to assist the Chief Executive in Council in the licensing and regulatory matters in relation to domestic free television programme services, domestic pay television programme services and analogue sound broadcasting services.

Digital Audio Broadcasting

44.   In September 2012, the three licensed commercial broadcasters together with Radio Television Hong Kong (RTHK) formally launched their digital audio broadcasting (DAB) services. In line with our policy to support the development of DAB, we will continue to promote the DAB service.

Public Service Broadcasting by RTHK

45.   RTHK has been embarking on various new development initiatives to fulfill its mission as the public service broadcaster of Hong Kong. For the DTT service, RTHK commenced the channel trial run on 12 January 2014. RTHK is now providing DTT services with three high definition TV channels. RTHK TV 31 (main channel) broadcasts 8.5 hours daily (from 5 pm to 1:30 am) every Monday to Friday and 13.5 hours daily (from 12 noon to 1:30 am) every Saturday and Sunday, offering programmes on current affairs, education, information, culture and arts and drama. RTHK TV 32 continues to live broadcast Legislative Council meetings every Wednesday, as well as other panel meetings, important events and international news feed. RTHK TV 33 relays the China Central Television 9 Documentary Channel. To extend the network coverage to about 99% of Hong Kong's population, RTHK has started establishment of 22 DTT fill-in stations by phases. The plan is scheduled for completion in 2019. For the DAB service, RTHK will continue to work with other DAB operators to enhance the DAB transmission network. As regards the three-year pilot project on community involvement in broadcasting service, RTHK will continue to strengthen promotion to draw wider public awareness and participation. A review on the operation of the pilot project is underway. For the construction of the New Broadcasting House, we are reviewing the proposal having regard to the comments made by Members of the Public Works Subcommittee in early 2014 with a view to working out the most cost-effective revised proposal.

Review of Control of Obscene and Indecent Articles Ordinance (COIAO)

46.　　The second round of public consultation on the review of the COIAO was concluded in July 2012, with approximately 1 000 submissions received. We briefed the Legislative Council Panel on Information Technology and Broadcasting on the summary of the views collected on 14 January 2013. We are mapping out the way forward, and will brief this Panel in due course.

Telecommunications Service

3G Spectrum Re-assignment

47.　　The existing assignments of the frequency spectrum in the 1.9 – 2.2 GHz band for the provision of 3G mobile services will expire in October 2016.　The three incumbent operators accepted the right of first refusal in August 2014 for re-assignment of 69.2 MHz of the concerned spectrum, whereas the remaining 49.2 MHz of spectrum was re-assigned to three operators (one of which is not an incumbent spectrum assignee) through auction in December 2014.　The Communications Authority and we will proceed with the follow-up work, including the licensing relating to the spectrum.

Safeguarding Consumers' Interests

48.　　The Customer Complaint Settlement Scheme for the telecommunications industry aims to resolve deadlock billing disputes between telecommunications service providers and their customers.　The two-year trial period ended in October 2014.　We are now assessing the effectiveness of the scheme and mapping out the way forward. Meanwhile, we will also continue to monitor the effectiveness of other regulatory or publicity initiatives (e.g. guidelines for the implementation of fair usage policy, measures to prevent mobile bill shock, etc.) to safeguard consumers' interests.

The Way Forward

49.　　Last Year, the Chief Executive announced that we would re-initiate the setting up of an Innovation and Technology Bureau.　This is in response to the calls from the relevant sectors that a new Bureau

should be set up to fully capture the opportunities provided by advancements in technology and the commercial potential they offer through a dedicated high level leadership, and stronger policy coordination across the innovation and technology industries. Having secured the support of the relevant Panels of the Legislative Council (LegCo), the Resolution to effect the transfer of statutory functions was approved by LegCo. The relevant staffing and financial proposals have been submitted to the Finance Committee. We will continue to strive for the early approval of the relevant proposals by the Finance Committee.

Communications and Technology Branch
Commerce and Economic Development Bureau
19 January 2015