

For discussion
on 1 March 2016

Legislative Council Panel on Security

Creation of a supernumerary Assistant Director of Immigration post in the Immigration Department for implementing the Next Generation Smart Identity Card System and a one-off territory-wide identity card replacement exercise

PURPOSE

This paper invites Members' views on a proposal to create a supernumerary Assistant Director of Immigration (AD of Imm) (GDS(C)2 or D2 equivalent) post in the Immigration Department (ImmD), to be designated as AD(Identity Card) (AD(ID)), for about 24 months (with immediate effect upon approval by the Finance Committee (FC) to May 2018) to head the project team for implementing the Next Generation Smart Identity Card System (SMARTICS-2) and preparing to launch a one-off territory-wide replacement exercise for the new Hong Kong Identity Card (HKIC) from 2018 to 2022.

BACKGROUND

2. The FC approved on 15 May 2015 a new commitment for implementing the Next Generation Smart Identity Card System (SMARTICS-2) to replace the existing ageing computer system of the current SMARTICS and to enhance operational efficiency and effectiveness in supporting the issue of smart HKICs¹. Also, the designed serviceable lifespan of increasingly more smart HKICs issued after 2003 is due to expire after 2013. It is necessary to launch a one-off territory-wide identity card replacement exercise to replace the existing smart HKICs for some 8.8 million HKIC holders by phase from 2018 to 2022 in an orderly manner to minimise the risk of disruption to public services and the impact on frontline law enforcement arising from any sudden upsurge of defective cards. The implementation plan of SMARTICS-2 is at **Enclosure 1**.

¹ Please see FCR(2015-16)7.

JUSTIFICATIONS

3. SMARTICS-2 is a complex but mission-critical system. A time-limited project team, to be designated as the Identity Card Branch (ID Branch), will be established in the ImmD from 2016-17 to 2018-19². To ensure smooth, timely and successful implementation of the project, ImmD considers that dedicated directorate steer to the project team is necessary.

4. As explained in our funding proposal to the FC, the current SMARTICS was introduced in 2003 and designed for optimal use for about ten years only. Its hardware and software are already becoming obsolete, and it has become increasingly difficult to secure system maintenance and technical support due to limited and dwindling market supply of the outdated technologies. The expiry date of the system maintenance agreements was recently extended from December 2013 originally to end 2018, and further extension is considered not desirable as it can no longer ensure system reliability due to prolonged use of outdated technologies.

5. SMARTICS-2 is a mission-critical system in supporting all Registration of Persons (ROP) related services. AD(ID) will closely monitor the work progress of the project team to ensure that the project would be successfully implemented by the first quarter of 2018 as planned. Otherwise, the increasing risk of system failure may lead to serious and large-scale disruption of public services, including registration and production of smart HKICs, immigration clearance at e-Channels at control points, identity verification for HKSAR passport applicants, etc. Timely provision of critical public services and adequate capacity for coping with new public service demands (e.g. enhancing the ROP process) in future would also be jeopardized.

6. Apart from replacing the computer system, ImmD will also introduce a new smart HKIC under SMARTICS-2. The smart HKIC is a statutory proof of identity, a reliable means for immigration clearance, as well as a platform for inclusion of various public services delivered by different bureaux/departments to the public in accordance with law. As explained to the FC before, the new HKIC will make use of latest polycarbonate materials to ensure better visual appearance, improved text printing quality and increased durability under normal usage. It will also enhance card face security features to ensure a continued low forgery rate with advancement in technology. Moreover, data storage in and transmission to and from the chip of the new HKIC will be safeguarded by multi-dimensional security features. AD(ID) will provide dedicated steer to the project team to ensure that the new smart HKIC is durable,

² Initially, the project team will comprise 38 non-directorate staff in 2016-17. In 2017-18, there will be a total of 49 non-directorate staff when the implementation of the project is in full swing.

secure and safe to use.

7. Separately, ImmD undertook to engage independent experts and consultants to ensure necessary safeguards are in place to comply with legal requirements on protection of personal data as well as system security at each and every stage of project development and future application. It also undertook to commission qualified independent consultants to conduct Privacy Impact Assessments (PIAs) during each critical stage of the implementation of SMARTICS-2, to submit all PIAs to the Privacy Commissioner for Personal Data (PCPD) for comments to ensure compliance with relevant data protection principles and other requirements under the Personal Data (Privacy) Ordinance (PD(P)O) (Cap. 486). In addition to PIAs, ImmD will engage an independent auditor to conduct information technology security risk assessment and audit (ITSRAA) at different stages of implementation to ensure the effectiveness of those security measures in protecting information in SMARTICS-2 and smart HKICs. AD(ID) will lead the project team to ensure that all these are done fully and professionally, and that the recommendations of the consultants and the PCPD, if any, are adopted for the subsequent stage of implementation of SMARTICS-2.

8. As regards the one-off territory-wide identity card replacement exercise, it is a mega-scale exercise to replace some 8.8 million smart HKICs by phase within a four-year span from 2018 to 2022. ImmD plans to open nine replacement centres across the territory, and recruit a dedicated team of about 800 in-house and contract staff to prepare for and to conduct the card replacement exercise. AD(ID) will lead the project team to prepare for launching the exercise well before 2018, which includes steering comprehensive publicity programmes to reach out to all HKIC holders.

9. The detailed job description of AD(ID) is at **Enclosure 2**. During the stage of System Analysis and Design, which is critical to the successful delivery of the project, AD(ID) will steer, plan and monitor all activities relating to the implementation of SMARTICS-2 and ensure its compatibility with other operations of the Department. In addition, AD(ID) will ensure that the latest proven technologies are adopted and major public concerns on personal data protection are properly addressed. Close liaison with PCPD will be kept at this critical stage to ensure necessary safeguards are in place to comply with legal requirements on protection of personal data under the PD(P)O.

10. During System Development stage, AD(ID) will ensure that the technical requirements and specifications as finalised at the System Analysis and Design stage are being implemented effectively and efficiently in accordance with the project schedule. AD(ID) will also update the Panel on Security on the progress of the project as and when needed to ensure transparency during system implementation.

11. To prepare for the territory-wide identity card replacement exercise, AD(ID) will lead his team in devising appropriate strategy for the card replacement exercise, formulating measures facilitating the public in replacing their HKICs, and drawing up comprehensive publicity programmes to publicise the new smart HKIC and the card replacement exercise before the exercise is launched. AD(ID) will also initiate proper legislative exercise declaring the arrangement of the card replacement exercise pursuant to the Registration of Persons Ordinance and Regulations (Cap. 177 & 177A). He will also establish nine card replacement centres across the territory in catering for public needs. In the process, he will lead his team in engaging the relevant District Councils. He will also ensure that all centres are properly equipped and ready for launching the replacement exercise by second quarter 2018 as planned.

12. All the tasks as mentioned in paragraphs 9 to 11 above are complicated, mission-critical and time-critical. It requires high-level strategic judgement and intensive coordination with various stakeholders. The project team to deliver them thus needs to be steered by a dedicated directorate officer with sufficient vision, experience and skills.

ALTERNATIVES CONSIDERED

13. ImmD has critically examined the possible redeployment of other directorate officers in the Department to take up the work of the proposed AD(ID) post. There are now six AD of Imm posts, each leading a separate branch of ImmD³. Their duties are at **Enclosure 3**. At present, duties relating to the planning and implementation of information systems strategy and all matters relating to information systems as well as records and data management fall under the purview of Assistant Director (Information Systems) (AD(IS)) leading the Information Systems Branch. In the coming two years, AD(IS) will be fully engaged in developing various strategic information technology projects, which are inter-related and essential to ImmD's

³ Panel on Security supported in February 2016 ImmD's proposal on the creation of a new supernumerary post at the rank of Assistant Director of Immigration to support a comprehensive review of the strategy of handling non-refoulement claims and to expedite screening of claims. Please see LC Paper No. CB(2)648/15-16(05).

mission-critical operations, under the Third Information Systems Strategy (ISS-3) Review in parallel. A list of all projects under ISS-3 and their implementation schedule is at **Enclosure 4**. AD(IS) has already stretched his limits in leading the IS Branch to implement all other projects under ISS-3, leaving him no spare capacity to take on the workload generated by SMARTICS-2, which involves implementing a complex and large-scale system to support the critical mission of registering and issuing new smart HKICs in a secured and timely manner, as well as preparing for launching a territory-wide card replacement exercise with 8.8 million HKICs to be replaced. The other five ADs of Imm are also fully committed to other duties in different subject areas and it is not feasible for them to absorb the additional work in relation to SMARTICS-2 amidst their already very heavy workload.

14. By the time when the supernumerary AD(ID) post lapses in June 2018, SMARTICS-2 should have been developed and the preparatory work for the territory-wide identity card replacement exercise should have been completed. The duties of overseeing the ongoing operation of SMARTICS-2 and the territory-wide identity card replacement exercise would then be re-distributed to AD(IS) and AD(Personal Documentation) respectively.

FINANCIAL IMPLICATIONS

15. The proposed creation of a supernumerary AD of Imm post will bring about an additional notional annual salary cost at mid-point of \$1,973,400. The additional full annual average staff cost of the proposal including salaries and staff on-cost is \$2,835,000. We have included the relevant provision in the 2016-17 Estimates and will reflect the provision in Estimates of subsequent years as appropriate.

WAY FORWARD

16. Members are invited to support the proposed creation of a supernumerary AD of Imm post to head the new ID Branch in ImmD. Subject to Members' view, we will submit the proposal to the Establishment Subcommittee of the FC for consideration as early as possible.

**Security Bureau
Immigration Department
February 2016**

Enclosure 1

Implementation Plan of SMARTICS-2 Project

Activity	Target Completion Date
Procurement of Hardware, Software and Services	First quarter 2016
System Development and Implementation:	
System Analysis & Design	Third quarter 2016
System Development	Second quarter 2017
User Acceptance Test	Fourth quarter 2017
Site Preparation	Second quarter 2018
Training	Second quarter 2018
Production Rollout	First quarter 2018

Upon the rollout of SMARTICS-2, a card replacement exercise is planned to be launched in the second quarter of 2018 for four years.

Enclosure 2

Rank : Assistant Director of Immigration (GDS(C)2)
Responsible to : Deputy Director of Immigration

Main duties and responsibilities –

- (i) To steer, plan, direct and monitor all activities relating to the implementation of SMARTICS-2 and liaise closely with other directorate officers of ImmD with a view to ensuring compatibility with other operations of the Department;
- (ii) To oversee the introduction of the new smart HKICs with proven technologies;
- (iii) To steer, plan and prepare for the launching of the territory-wide identity card replacement exercise, including securing venues, recruitment of staff, initiating legislative exercise on the schedule of replacement;
- (iv) To draw up and roll out comprehensive publicity programmes to publicise the new smart HKIC and the card replacement exercise;
- (v) To be answerable to the project steering committee on matters relating to the implementation of the project and the replacement exercise;
- (vi) To discuss and resolve matters requiring co-ordination between bureaux and departments in the process of planning and implementing SMARTICS-2 and in launching the replacement exercise;
- (vii) To liaise with relevant stakeholders such as the Office of the Privacy Commissioner for Personal Data on protection of personal data which are of concern to the general public; and
- (viii) To report the progress of the project to the Legislative Council Panel on Security and members of the public as appropriate.

**Existing Duties of the Assistant Director of Immigration Posts
in the Immigration Department**

At present, six Assistant Director of Immigration (AD of Imm) posts are established to lead six branches, namely Control Branch, Enforcement and Removal Assessment Branch, Information Systems Branch, Management and Support Branch, Personal Documentation Branch and Visa and Policies Branch. The distribution and the major responsibilities of the AD of Imm posts are as follows -

(A) Control (C) Branch - headed by AD(C)

AD(C) is responsible for formulating and implementing policies on maintaining immigration control by denying entry of undesirables and preventing wanted criminals from departure and facilitating the mobility of tourists and business visitors. The Control Branch comprises the Airport Division, the Border (Rail) Division, the Border (Vehicles) Division and the Harbour Division. The Airport Division enforces immigration control over passengers and aircrew entering and leaving Hong Kong by air. The Border (Rail) Division comprises three control points, serving railway passengers at Lo Wu, Hung Hom and Lok Ma Chau Spur Line. The Border (Vehicles) Division comprises four land boundary control points at Lok Ma Chau, Man Kam To, Sha Tau Kok and Shenzhen Bay, serving cross-boundary passengers and vehicles. The Harbour Division comprises the Harbour Control Section, the Macau Terminal Section, the China Ferry Terminal Section, the Tuen Mun Ferry Terminal Section and the Kai Tak Cruise Terminal Section which carry out immigration control over people movements by passenger liners, ferries and cruise liners.

(B) Enforcement and Removal Assessment (EA) Branch – headed by AD(EA)

AD(EA) is responsible for spearheading the EA Branch which comprises the Enforcement Division and the Removal Assessment and Litigation Division. The Enforcement Division is responsible for formulating and implementing policies in respect of investigation, deportation and removal. The Removal Assessment and Litigation Division is responsible for determining non-refoulement claims lodged by persons not having the right to enter and remain in Hong Kong on all applicable grounds, handling matters relating to prosecution of immigration offenders and litigation cases relating to removal, deportation and non-refoulement claims, and also managing the Castle Peak Bay Immigration Centre for the detention of persons of 18 years old or above.

(C) Information Systems (IS) Branch - headed by AD(IS)

AD(IS) is responsible for formulating and implementing strategies on

information systems and related matters as well as record management and data privacy management of the Department. The IS Branch comprises four functional divisions. The Information Systems (Development) Division is responsible for formulating and implementing the Department's information systems strategy, developing new systems to meet the future business needs; the Information Systems (Production) Division is responsible for management and security of information systems in operation as well as on-going enhancement of the information systems and related processes; the Technology Services Division provides technical support for the maintenance and development of computer systems in the Department, and the Records and Data Management Division is responsible for handling all issues relating to data privacy, access to information and management of departmental records.

(D) Management and Support (MS) Branch - headed by AD(MS)

AD(MS) is responsible for formulating and implementing policies on human resources management and development of the Immigration Service. It comprises two divisions, namely the Service Management Division and the Immigration Service Institute of Training and Development. The Service Management Division deals with matters relating to welfare, conduct and discipline of service staff and is responsible for managing public relations, conducting management audit and reviewing complaints from the public. The Immigration Service Institute of Training and Development is responsible for recruitment, training, development and deployment of service staff.

(E) Personal Documentation (PD) Branch - headed by AD(PD)

AD(PD) is responsible for formulating and implementing policies on personal documentation. The PD Branch comprises the Documents Division and Registration of Persons Division. The Documents Division deals with applications for HKSAR passports and other HKSAR travel documents, handles matters relating to the implementation of the Chinese Nationality Law in Hong Kong, negotiates visa-free travel arrangements for HKSAR residents, provides assistance to Hong Kong residents in distress outside Hong Kong and processes registration of births, deaths and marriages. The Registration of Persons Division processes applications relating to claims to right of abode under the Basic Law, issues identity cards to Hong Kong residents and maintains records on registration of persons.

(F) Visa and Policies (VP) Branch – headed by AD(VP)

AD(VP) is responsible for formulating and implementing policies on managing pre-entry immigration control through the visa and entry permit systems. The VP Branch comprises the Visa Control (Policies) Division and the Visa Control (Operations) Division. Their major areas of work include formulating and reviewing policy and assessment procedures on visa matters with a view to meeting the changing needs of Hong Kong, facilitating visitors and enhancing

operational efficiency and effectiveness of the visa and entry permit system; processing various types of immigration applications in accordance with approved policies, such as applications for entry into Hong Kong for visit, employment, investment, training, residence or study, applications for extension of stay from visitors and temporary residents, applications for Certificate of Entitlement (COE) to the Right of Abode in HKSAR and handling appeals / petitions / judicial reviews relating to COE and visa control matters, etc.

ISS-3 Projects and Implementation Schedule

Project	Target System Rollout Date
New Information Technology Infrastructure	By phase from first quarter 2015
Immigration Control System	By phase from first quarter 2016
SMARTICS-2	First quarter 2018
Next Generation Electronic Passport System	By phase from first quarter 2019
Visa Automation System	Subject to the recommendation of the relevant feasibility studies
Assistance to Hong Kong Residents, Births, Deaths & Marriage, Right of Abode Decision Support System	
Enforcement Case Processing System	
Human Resources Management System	Implementation timeline subject to Government Human Resources Management System review