

**For discussion  
on 12 November 2018**

**Legislative Council Panel on  
Information Technology and Broadcasting**

**Retention of Two Supernumerary Directorate Posts in  
the Communications and Creative Industries Branch  
of the Commerce and Economic Development Bureau**

**PURPOSE**

One supernumerary post of Administrative Officer Staff Grade B (D3) (AOSGB) and one supernumerary post of Administrative Officer Staff Grade C (D2) (AOSGC) in the Communications and Creative Industries Branch (CCIB) of the Commerce and Economic Development Bureau (CEDB) will lapse on 17 June 2019. This paper seeks Members' support of the proposal to retain the two posts for three years to continue the review and amendment of the Broadcasting Ordinance (Cap. 562) (BO) and the Telecommunications Ordinance (Cap. 106) (TO) (the Review), and to formulate legislative proposals to regulate person-to-person telemarketing calls (P2P calls).

**BACKGROUND**

2. The Review is carried out in two phases. The first phase covers the broadcasting regulatory framework and a three-month public consultation was conducted. Legislative proposals are being formulated to give effect to the proposed measures. As mentioned in the 2018 Policy Address, we will proceed to the second phase of the Review that will cover the TO.

3. The 2018 Policy Address also reaffirmed our commitment to enhance the regulation of P2P calls through legislation, following the completion of a public consultation exercise.

4. With the approval of the Finance Committee (FC) of the Legislative Council (LegCo) on 17 June 2016, one AOSGB post (designated as Deputy Secretary (Communications and Creative Industries) Special

Duties (DS(CCI)SD)) and one AOSGC post (designated as Principal Assistant Secretary (Communications and Creative Industries) Special Duties (PAS(CCI)SD)) were created in CCIB of the CEDB on a supernumerary basis for three years to conduct the Review and complete the associated legislative exercises. A dedicated team, comprising the two aforementioned posts and five non-directorate supporting staff, has been established in the CCIB to undertake these duties.

## **JUSTIFICATIONS**

### **Major Duties of the Directorate Posts**

#### *Phase One of the Review: Television and Sound Broadcasting Regulatory Frameworks*

5. Phase One of the Review seeks to relax obsolete statutory requirements and rationalise the broadcasting regulatory framework with the growing popularity of Internet-based media and entertainment platforms. The objective is to provide a more balanced competitive environment for the broadcasting market, and to encourage innovation and investment for the sustainable development of traditional broadcasting services in Hong Kong.

6. This phase of the Review has been progressing as planned. A three-month public consultation was completed in May 2018. The measures proposed cover four areas, namely cross-media ownership restrictions, foreign control restrictions, the requirement of a licensee being a non-subsidiary company, and licensing authority. Stakeholders in general supported the direction of the proposals to update the regulatory framework.

7. As reported to this Panel in October 2018, we will adopt a multipronged approach to facilitate the development of our broadcasting industry. Other than legislative amendments, non-legislative measures will also be taken forward. For instance, the Communications Authority (CA) has revised its Code of Practice to relax the regulation of indirect advertising in television programme services and to lift the prohibition on the broadcast of advertisements for undertakers and associated services in July 2018. We have also separately invited the CA to consider further measures to relax its regulatory and administrative requirements.

8. We aim to introduce an amendment bill into LegCo in 2019 to give effect to our relaxation proposals presented in the public consultation.

The dedicated team, led by the two directorate officers pitched at AOSGB and AOSGC levels will see through the whole legislative process. They will work with the Law Draftsman to finalise the amendment bill, attend the Bills Committee meetings and consider comments on the draft provisions. They will be tasked to steer the whole exercise and ensure smooth passage of the amendment bill in the LegCo for timely implementation of the proposed measures.

*Phase Two of the Review: Telecommunications Regulatory Framework*

9. In parallel, Phase Two of the Review on the telecommunications regulatory framework is being carried out. The objective is to ensure that the legal framework can keep pace with the latest developments in telecommunications technologies, particularly with the advent of fifth generation mobile communications (5G) services and their applications in the Internet of Things (IoT) era. We will launch a three-month public consultation later in 2018 and will arrange to brief this Panel to seek its views on our proposals.

10. Subject to the views received from the public, industry and other stakeholders, we will draft the appropriate legislative proposals, and target to introduce an amendment bill into LegCo in 2019. We expect that major stakeholders, in particular the telecommunications operators, will have a keen interest on our proposed measures and the amendment bill will be closely scrutinised in LegCo. The two directorate officers will provide leadership and steer in engaging various stakeholders during the consultation process, drafting the amendment bill in consultation with relevant parties including the Department of Justice (DoJ), the concerned Government bureaux and departments as well as industry stakeholders, attending Bills Committee meetings to facilitate the scrutiny of the amendment bill, and consider comments on the draft provisions. Similar to Phase One, the directorate posts will see through the whole legislative process and to ensure early implementation of the proposals.

11. The legislative amendments to be put forth in both Phases One and Two of the Review are of great importance to the long-term development of the broadcasting and telecommunications sectors in Hong Kong. The Review entails heavy and high-level policy considerations. The nature of the issues involved is also technical and complicated. Senior directorate leadership is essential to oversee the whole exercise to provide in-depth analysis of the issues from various dimensions, make decisions on complex policy matters, and provide timely response to LegCo and other stakeholders.

### *Strengthening Regulation of P2P Calls*

12. Another major duty that the two directorate posts will take up is to develop a statutory regulatory framework for P2P calls. P2P calls are telephone calls involving real person interactions used as a marketing tool by business/trades to promote goods or services to customers/potential customers. Their proliferation in recent years has caused nuisance to many members of the public.

13. In the public consultation conducted by the Government in mid-2017, and during the discussion at the meeting of this Panel on 9 April 2018, we heard growing voices demanding the Government to strengthen regulation of such calls. There are clear public support for the establishment of a statutory Do-not-call (DNC) Register, allowing individual phone users who do not wish to receive P2P calls to register their phone numbers with the DNC Register. On the other hand, the business sectors have expressed opposition to a legislative approach. The dedicated team under the two directorate officers will be tasked to develop legislative provisions that can balance the interests of various parties in the regulation of P2P calls.

14. The dedicated team will spearhead the legislative work for the establishment of the statutory DNC Register to enhance regulation on P2P calls. In doing so, the dedicated team will have to take into account local and overseas telemarketing practices, the experience of other jurisdictions in regulating such calls, conduct in-depth researches and analyses, formulate and evaluate policy options, work with the DoJ to prepare draft legislation, as well as oversee the whole legislative exercise. Such work all require high-level steering by the two directorate officers. Our preliminary view is that the legislative amendments will cover provisions on the establishment of the DNC Register, rules governing its operation, enforcement and investigative provisions, powers of the control authority and sanctions. Details of the legislative framework are being worked out. We plan to brief this Panel on the key legislative parameters in the second quarter of 2019.

### **Need to retain the two supernumerary directorate posts**

15. Having regard to the scale and the nature of the tasks as well as the anticipated amount and complexity of workload mentioned in paragraphs 5 to 14 above, we consider that there is a genuine need to extend the two directorate posts in CCIB for another three years. As the work involves high-level policy input and stakeholder engagement, the head of the team

should be sufficiently senior to provide policy steer, co-ordinate among bureaux and departments concerned and engage stakeholders independently to ensure timely and successful implementation. We propose the team head to continue to be pitched at the AOSGB level. The AOSGB officer should continue to be underpinned by a directorate officer at AOSGC level to deputise the team head in supervising the non-directorate officers in the team.

*Duration of the two supernumerary directorate posts*

16. The existing two supernumerary directorate posts will lapse on 17 June 2019. We propose to retain the two posts for three years to allow sufficient time for the posts to complete the three separate, substantive legislative amendment exercises, covering broadcasting, telecommunications as well as the establishment of a statutory DNC Register for P2P calls.

17. The detailed job descriptions of the AOSGB post and AOSGC post are at Enclosure 1.

*Non-directorate support*

18. The two supernumerary directorate officers will continue to be supported by five non-directorate staff in the CCIB, including one permanent Senior Administrative Officer through internal redeployment and four time-limited staff, viz. one Senior Executive Officer, two Personal Secretaries I and one Assistant Clerical Officer.

**ALTERNATIVES CONSIDERED**

19. We have critically examined the possibility of redeployment within the CCIB to absorb the duties of the above two directorate posts, but concluded that such option is infeasible. The CCIB, excluding the above two directorate posts and those in CreateHK, has only four directorate officers, including the Permanent Secretary (Communications and Creative Industries) (D8). These directorate officers are fully occupied.

20. The Deputy Secretary (Communications and Creative Industries) (DS(CCI)), pitched at Administrative Officer Staff Grade B1 (D4), is the senior Deputy Secretary in the CCIB who oversees a number of portfolios encompassing broadcasting, telecommunications, creative industries, obscene and indecent articles, film censorship and branch administration.

21. DS(CCI) is underpinned by two Principal Assistant Secretaries both at AOSGC (D2) level, namely Principal Assistant Secretary (Communications and Creative Industries)A (PAS(CCI)A) and Principal Assistant Secretary (Communications and Creative Industries)B (PAS(CCI)B). Officers under DS(CCI) are fully occupied with their existing duties including policy matters relating to broadcasting, telecommunications, control of obscene and indecent articles, film censorship, switch-off of analogue television services, spectrum assignment and related matters on spectrum utilisation fee, various legal proceedings and judicial review cases related to broadcasting and telecommunications matters, and housekeeping of the Radio Television Hong Kong and the Office of the Communications Authority (OFCA) (including the Office for Film, Newspaper and Article Administration). They also need to provide support for promoting the development of Hong Kong's creative industries and strengthening our status as a regional creative hub, including monitoring implementation of the dedicated government funding schemes, namely, the CreateSmart Initiative and the Film Development Fund, development of policies and various measures pursuant to multipronged strategies for nurturing talent and facilitating start-ups, expanding markets, fostering creative atmosphere in the community, and encouraging collaborations across sectors and under the Guangdong-Hong Kong-Macau Greater Bay Area Development and Belt and Road Initiative.

22. The above posts are already hard pressed by their existing duties. Under the circumstances, it is not operationally feasible for DS(CCI), PAS(CCI)A or PAS(CCI)B to absorb the duties relating to the Review without seriously affecting the discharge of their current duties. The existing job descriptions of DS(CCI), PAS(CCI)A and PAS(CCI)B are at Enclosure 2. The organisation chart of the CCIB is at Enclosure 3.

23. OFCA, being both the executive arm of the CA as well as a professional department of the Administration, is fully occupied with its existing duties, including providing support to the CA to discharge its regulatory functions for telecommunications and broadcasting services. It would not be operationally possible to redeploy the existing directorate officers in OFCA to take up the additional duties of the posts proposed to be established in CCIB of the CEDB, which are largely policy-oriented.

## **FINANCIAL IMPLICATIONS**

24. The proposed extension of the supernumerary posts of AOSGB and AOSGC will bring about an additional notional annual salary cost at

mid-point of \$4,710,600. The full annual average staff cost, including salaries and staff on-cost, is about \$6,715,000.

25. The notional annual salary cost at mid-point for the four additional time-limited non-directorate posts (excluding one permanent post through internal redeployment) mentioned in paragraph 18 above is \$2,227,860 and the full annual average staff cost, including salaries and staff on-cost, is about \$3,266,000.

26. We will include the necessary provision in the draft Estimates of the relevant years to meet the cost of this proposal.

### **ADVICE SOUGHT**

27. Members are invited to comment on the proposal. Subject to Members' views, we will seek the necessary funding approval from the LegCo in accordance with established mechanism.

**Communications and Creative Industries Branch  
Commerce and Economic Development Bureau  
November 2018**

**Job Description**  
**Deputy Secretary for Commerce and Economic Development**  
**(Communications and Creative Industries) (Special Duties) (DS(CCI)SD)**

**Rank** : Administrative Officer Staff Grade B (D3)

**Responsible to** : Permanent Secretary for Commerce and Economic Development  
(Communications and Creative Industries) (PSCCI)

**Main Duties and Responsibilities -**

1. To lead a dedicated team in the CCIB to oversee the conduct of the Review;
2. To oversee the Review and provide policy steer and oversee the introduction of legislative amendment bills into LegCo in connection with the Review;
3. To provide strategic steer and advice for liaison with various stakeholders during the scrutiny of the amendment bills in connection with the Review;
4. To steer and oversee the formulation of legislative proposals and introduction of an amendment bill into LegCo to strengthen the regulation of P2P calls; and
5. To undertake any other tasks as assigned by PSCCI.



**Job Description**  
**Principal Assistant Secretary for Commerce and Economic Development**  
**(Communications and Creative Industries) (Special Duties)**

**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Deputy Secretary for Commerce and Economic Development  
(Communications and Creative Industries) (Special Duties)  
(DS(CCI)SD)

**Main Duties and Responsibilities -**

1. To provide policy and administrative support in the conduct of the Review;
2. To conduct research and review on operational experience, technology development, international practices and trends in local market in relation to the Review;
3. To undertake the work associated with the introduction of the amendment bills into LegCo in connection with the Review;
4. To formulate legislative proposals and prepare for an amendment bill into LegCo to strengthen the regulation of P2P calls; and
5. To undertake any other tasks as assigned by DS(CCI)SD.

**Job Description**  
**Deputy Secretary for Commerce and Economic Development**  
**(Communications and Creative Industries)**

**Rank** : Administrative Officer Staff Grade B1 (D4)

**Responsible to** : Permanent Secretary for Commerce and Economic Development  
(Communications and Creative Industries) (PSCCI)

**Main Duties and Responsibilities -**

1. To formulate and review policies on broadcasting and telecommunications matters;
2. To deal with matters relating to branch administration;
3. To assist PSCCI in handling policy and housekeeping matters for the Radio Television Hong Kong and the Office of the Communications Authority (including the Office for Film, Newspaper and Article Administration);
4. To assist PSCCI in handling matters relating to the development of creative industries; and
5. To undertake any other tasks as assigned by PSCCI.

**Job Description**  
**Principal Assistant Secretary for Commerce and Economic Development**  
**(Communications and Creative Industries)A**

**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Deputy Secretary for Commerce and Economic Development  
(Communications and Creative Industries) (DS(CCI))

**Main Duties and Responsibilities -**

1. To formulate and review policies on broadcasting matters;
2. To handle broadcasting regulatory matters that require the approval of the Chief Executive in Council;
3. To formulate and review policies on telecommunications matters;
4. To formulate and review policies on film classification and the control of obscene and indecent articles;
5. To housekeep the Radio Television Hong Kong and the Office of the Communications Authority (including the Office for Film, Newspaper and Article Administration); and
6. To undertake any other tasks as assigned by DS(CCI).

**Job Description**  
**Principal Assistant Secretary for Commerce and Economic Development**  
**(Communications and Creative Industries)B**

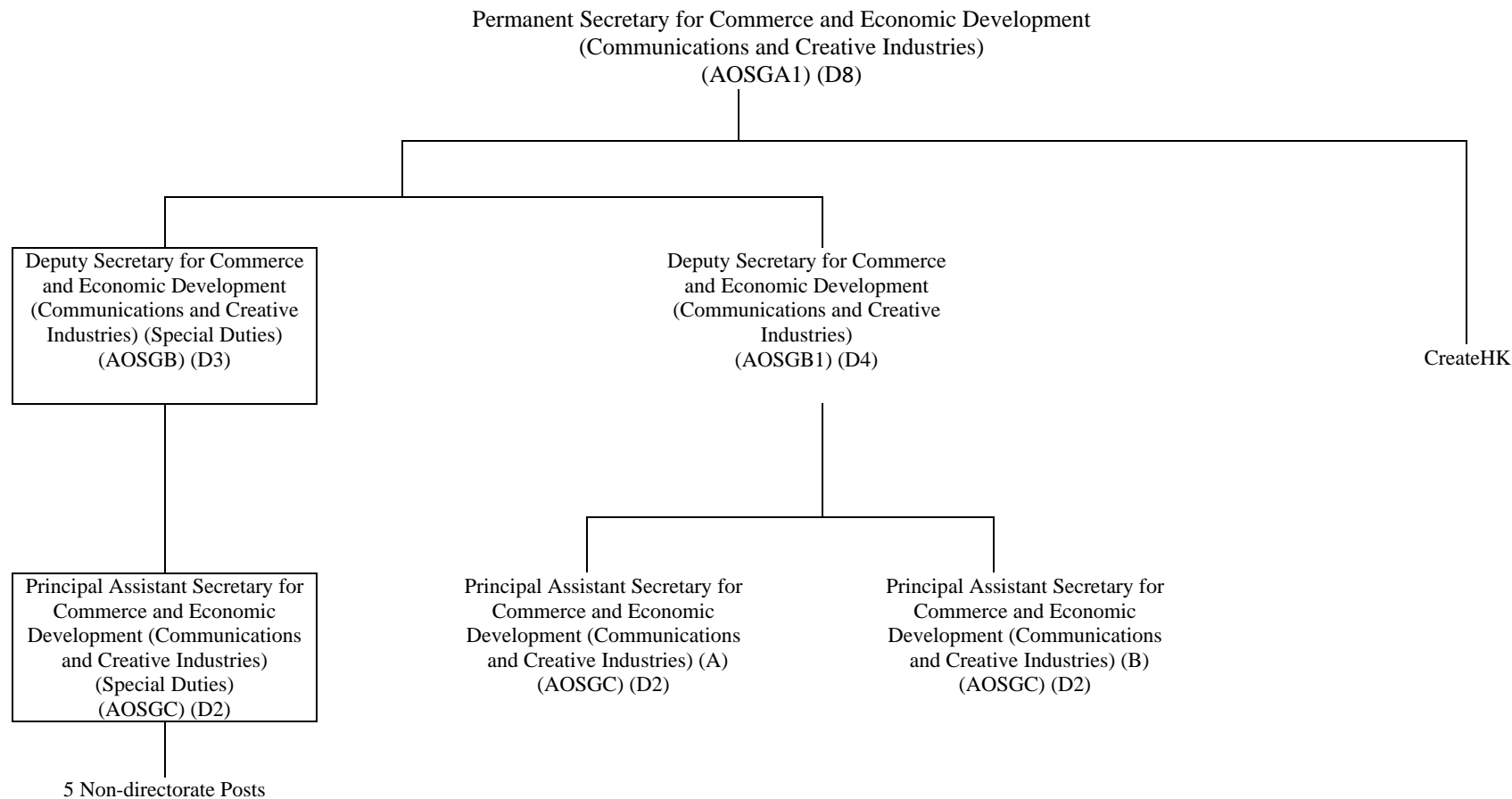
**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Deputy Secretary for Commerce and Economic Development  
(Communications and Creative Industries) (DS(CCI))

**Main Duties and Responsibilities -**

1. To formulate policies and strategies for promoting creative industries;
2. To monitor implementation of dedicated Government funding schemes (namely, CreateSmart Initiative and the Film Development Fund) to meet the strategy foci;
3. To formulate policies to explore Mainland and overseas markets;
4. To support policies relevant to long-term manpower demand and supply of Hong Kong's creative industries; and
5. To undertake any other tasks as assigned by DS(CCI).

## Organisation Chart of the Communications and Creative Industries Branch of the Commerce and Economic Development Bureau



**Legend**

- |                         |  |
|-------------------------|--|
|                         | - Supernumerary directorate posts to be extended   |
| AOSGA1                  | - Administrative Officer Staff Grade A1  |
| AOSGB1                  | - Administrative Officer Staff Grade B1  |
| AOSGB                   | - Administrative Officer Staff Grade B   |
| AOSGC                   | - Administrative Officer Staff Grade C   |
| 5 Non-directorate Posts | - One internally redeployed permanent post (Senior Administrative Officer) and four time-limited posts (1 Senior Executive Officer, 2 Personal Secretary I and 1 Assistant Clerical Officer) |