**Extract of the minutes of the
Information Technology and Broadcasting Panel
meeting on 14 January 2002**


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**V      E-government programme in 2002**
(LC Paper No. CB(1) 756/01-02 (03))
(A set of power-point presentation material was circulated after the meeting vide LC Paper No. CB(1)817/01-02(02))

27.      With the aid of power-point presentation, the E-government Coordinator, Information Technology and Information Bureau (EGC/ITBB) briefed members on the E-government Programme for 2002 covering the following key areas:

(a)    enhancing the environment for E-government development;
(b)    provision and utilization of E-options;
(c)    expansion of the Electronic Service Delivery Scheme;
(d)    electronic tendering and procurement;
(e)    introducing a new dimension of communication with the public;
(f)    enhancement of accessibility to IT facilities within the Government;
(g)    exploit mobile and voice recognition technologies

He also conducted a demonstration on how to make appointments for giving of marriage notice under the Electronic Service Delivery Scheme.

*Utilization of online Government Services*

28.      Members noted that according to an international survey conducted in the second half of 2001, 31% of the population in Hong Kong had used online government services, rendering the city to top in Asia and rank sixth worldwide in this aspect.   Miss Emily LAU enquired if the figures covered the rates of both information browsing and transaction.   She remarked that online public services would provide great convenience to the public if long queuing for booking popular services such as leisure and sports facilities could be eliminated.   Given that there were still people who had no access to computer facilities, Miss LAU sought information on how such online services could be promoted for wider use in the community.

29.      In response, EGC/ITBB confirmed that the figures included both information browsing and transaction rates but a further breakdown was not available.   In this regard, he pointed out that some Government websites were

highly utilized.   For example, some 80% of all searches of land registers were conducted through electronic dedicated lines.   However, usage of certain online transaction services such as filing of tax return and application for renewal of driving/vehicle licence remained low.

30.   On the booking of services, EGC/ITBB referred to the example of online booking for giving of marriage notice which was available two weeks prior to the three-month period when in-person registration began.   As such, popular dates and timeslots might have already been booked online and people would not queue up outside the marriage registries.   The electronic booking system might turn out to be fairer and more convenient in that people knew immediately their position in the electronic queue.   The Principal Assistant Secretary for Information Technology and Broadcasting (E-Government) (PAS(EG)/ITB) added that at present, leisure and sports facilities could be booked online, through telephone or in person.   The two current booking methods, together with the online option to be launched soon, used the same backend computer and priority would be determined in real time in accordance with the speed of data input.   The Chairman also considered the electronic method more transparent and fairer than the current system.

31.   Mr Eric LI was pleased to note that the Government's Electronic Service Delivery (ESD) Scheme had won the "Stockholm Challenge Award" 2001. He enquired whether the 21 million visitors to the ESD site were from Hong Kong or overseas, and of the 1.1 million cases, which departments recorded the highest transactions.   In response, EGC/ITBB believed that the majority of visitors using the ESD Scheme were from Hong Kong.   He reported that services such as weather information, job vacancies, tourist information, volunteers registration schemes, payment of government bills and fixed penalty tickets, and booking of appointment for registration of ID cards were most popular.   His office would continue to work closely with various departments to expand the current form of e-government programme and to implement new initiatives.

32.   Mr Eric LI sought clarification on the criteria, if any, in deciding which departments/government services should be included in the ESD Scheme.   He opined that efficiency and productivity gains should be the key factors in determining which government services should be available online.   To facilitate users in obtaining the required services, he also suggested relevant departments should set up systems accessible to users from kiosks located in Government premises.   The Administration took note of his view.

33.   In response, EGC/ITBB confirmed that productivity gain was a key consideration in according priority for online government services.   For illustration, EGC/ITBB informed the meeting that a number of projects, such those implemented in the Social Welfare Department and in the Police Force, had resulted in more effective deployment of staff.   Other E-government initiatives could improve existing operation and introduce new services which

in turn would benefit the community and the economy as a whole.

*Implications of E-government initiatives on the private sector*

34. Citing the example of the Labour Department which allowed free placement of staff recruitment advertisements in its website, Mr LAW Chi-kwong urged the Government to be cautious in striking a balance between providing free services to the public and preserving the business opportunities available for the private sector. He considered that the Government should refrain from competing with the private sector for business and should carefully examine the impact, if any, of the implementation of the E-government programme on other sectors of the economy. He was also concerned about the commercial contents of government websites such as the ESD site. As the use of e-options might eventually reduce the Government's costs in delivering the services in question, Mr LAW asked whether a lower level of charges would be imposed for using e-options of government services as an incentive to encourage wider usage.

35. In response, SITB pointed out that ESD was an innovative business model integrating public and commercial services into one single portal. She acknowledged the concerns raised by Mr LAW Chi-kwong and said that the related policy issues would require further studies. This was a major reason for establishing the EGC post under the Bureau so that the strategic direction could be mapped out and issues which might straddle different bureaux and departments could be effectively coordinated and overseen. The Chairman considered that the concerns raised by Mr LAW had long-term policy implications and advised that they should be studied and addressed in the Administration's next report to the Panel on the E-government programme in six months' time.

36. On implementation of E-government, SITB agreed that its impacts had to be carefully assessed. For instance, some people who did not have access to computer facilities might feel being disadvantaged. As such, the Administration would need to implement the programme under pilot schemes so that it could be fine-tuned in the light of public feedback before full implementation. Nevertheless, SITB stressed that the Administration was committed to taking forward the E-government programme to cement Hong Kong's position as a leader and not a follower in the digitally connected world.

*Electronic tendering and procurement*

37. Mr Kenneth TING expressed concern about the adoption of IT and e-business by Small and Medium-sized Enterprises (SMEs) in doing business with the Government, especially in electronic tendering and procurement. Noting the Administration's target that 80% of Government procurements tenders would be processed through electronic means by end-2003, he enquired on the current position.

38.     In this regard, <u>SITB</u> informed members that while surveys revealed that the adoption of IT was slower among local SMEs, the Administration was actively working with industry support organizations to launch sector-specific programmes to promote and facilitate the adoption of IT and e-business among SMEs.   Besides, a number of SME funding schemes had been set up to help SMEs enhance their IT capability.

39.     On the progress of electronic tendering and procurement, <u>the Director of Government Supplies (D/GS)</u> advised that around 70% of their tenders were processed under the existing Electronic Tendering System.   It allowed suppliers from all over the world to receive notification of tenders, download tender documents, make enquiries about tenders, submit tender offers and receive notifications of tender award.   The remaining 30% were mainly tenders related to supplies with proprietary rights where the suppliers had not subscribed to the System, or voluminous and bulky tenders, most likely with graphics, which were not amenable to delivery via the electronic means.   <u>The Administration</u> would continue to work on further improvements.

40.     Referring to the Director of Audit's report on the wastage of government supplies, <u>Miss Emily LAU</u> was keen to ensure that such problem would not recur with the E-government programme being in place. Noting that officers with operational need for computer facilities would be provided with dedicated facilities, <u>Miss LAU</u> anticipated that a large number of such facilities might become obsolete in every upgrade exercise and enquired about the disposal procedure.

41.     In reply, <u>D/GS</u> assured members that the Government Supplies Department would make the best endeavour to ensure that resources were put to the most cost-effective use.   He informed members that during each upgrade exercise, officers in need of sophisticated computer facilities would be provided with the upgraded versions while the computer facilities previously in use would be transferred to those with lesser computer provisions.   When these facilities were considered no longer serviceable, then they would be disposed of in accordance with the existing procedures.

*Provision of E-option*

42.     Noting that some banks would impose charges on non-account holders using their e-banking services in settling government bills, <u>Mr Howard YOUNG</u> urged the Administration to ensure that payment of government bills via the Internet would be processed by banks on equal terms irrespective of whether the user was its account holder.   In this regard, <u>the Chairman</u> remarked that bank charges were very much a matter for individual banks to decide.   He suggested that issues related to banking practice might be raised at the Panel on Financial Affairs if members so wished.

43.  SITB agreed that it would be more convenient for the public to pay government bills if all banks provided such payment services.  In fact, the public could already pay government bills through various means, eg, ATM, Payment-By-Phone service and Internet banking service.  Some individual banks might not be offering such services now for business reason.  However, she anticipated that when more online Government services were available, more banks would offer Internet banking services in view of other value-added benefits.

44.  Notwithstanding the Government's policy objectives, Mr Albert CHAN pointed out that certain basic online services which would provide convenience to the public at large were still not available.  He referred to the long awaited e-version of the Government Telephone Directory and requested the Administration to provide the timetable on the availability of basic online services such as download of government forms.  In this connection, SITB confirmed that commonly used government forms could now be downloaded from the government website(s).  As regards the e-version of the Government Telephone Directory, the Deputy Director of the Information Technology Services (DD/ITS) advised that the directory was undergoing the final stage of testing and it would be available very shortly.  He added that, in addition to the usual contact information, the directory could also hold the digital certificate and the public key of public officials to facilitate communication.

*Follow-up*

45.  The Chairman summed up members' concerns and requested the Administration to submit a progress report on the E-government programme in six months' time which should address the following issues:

(a)  policy implications of the implementation of E-government programme,  including any possible competition with the private sector for business opportunities;
(b)  incentives for wider usage of online government services;
(c)  if possible, further breakdown or information on the utilization and transaction of online government services;
(d)  progress and timetable of various E-government initiatives and online services;
(e)  productivity gains and savings resulting from the implementation of E-government programme;
(f)  progress of establishing ITMUs in bureaux/departments; and
(g)  Mr Eric LI's suggestion of providing self-service kiosks in Government premises to access the relevant services.


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