

Replies to initial written raised by Finance Committee Members in examining the Estimates of Expenditure 2003-04

**Director of Bureau : Secretary for Commerce, Industry and Technology
Session No. : 3 File name : CITB(ITB)-e1.doc**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
CITB(ITB)001	0263	CHAN Kwok-keung	55	Information Technology
CITB(ITB)002	0171	FOK Tsun-ting, Timothy	55	Broadcasting and Film Services
CITB(ITB)003	0743	HO Chun-yan, Albert	55	Operational Expenses
CITB(ITB)004	0105	HO Sau-lan, Cyd	55 47 155 160 177 180	Operational Expenses
CITB(ITB)005	1110	LEE Cheuk-yan	55	Operational Expenses
CITB(ITB)006	1030	SHEK Lai-him, Abraham	55	Information Technology
CITB(ITB)007	046	SIN Chung-kai	55	Information Technology
CITB(ITB)008	047	SIN Chung-kai	55	Information Technology
CITB(ITB)009	048	SIN Chung-kai	55	Information Technology
CITB(ITB)010	049	SIN Chung-kai	55	Telecommunications
CITB(ITB)011	0172	SIN Chung-kai	55	Information Technology
CITB(ITB)012	0173	SIN Chung-kai	55	Telecommunications
CITB(ITB)013	0364	YOUNG Howard	55	Information Technology
CITB(ITB)014	0270	CHAN Kwok-keung	155	Infrastructural Support
CITB(ITB)015	0405	CHAN Kwok-keung	155	Planning for Innovation and Technology
CITB(ITB)016	0406	CHAN Kwok-keung	155	Planning for Innovation and Technology
CITB(ITB)017	0745	HO Chun-yan, Albert	155	Planning for Innovation and Technology
CITB(ITB)018	0678	HUI Cheung-ching	155	Operational Expenses
CITB(ITB)019	1285	LEE Cheuk-yan	155	Operational Expenses
CITB(ITB)020	0178	SIN Chung-kai	155	Support for Research and Development
CITB(ITB)021	1160	SIN Chung-kai	155	Quality Support
CITB(ITB)022	0903	TING Woo-shou, Kenneth	155	Infrastructural Support
CITB(ITB)023	0262	CHAN Kwok-keung	47	IT Infrastructure and Standards
CITB(ITB)024	1010	HO Chung-tai, Raymond	47	IT in the Community
CITB(ITB)025	1501	HO Sau-lan, Cyd	47	IT in the Community
CITB(ITB)026	1298	LEE Cheuk-yan	47	Operational Expenses
CITB(ITB)027	0550	LI Ka-cheung, Eric	47	Use of Information Technology in Government; IT Infrastructure and Standards; IT in the Community
CITB(ITB)028	0551	LI Ka-cheung, Eric	47	IT in the Community
CITB(ITB)029	0436	YOUNG Howard	47	IT Infrastructure and Standards

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
CITB(ITB)030	0261	CHAN Kwok-keung	160	Public Affairs Television
CITB(ITB)031	0256	CHENG Kar-foo, Andrew	160	Radio; Public Affairs Television
CITB(ITB)032	0257	CHENG Kar-foo, Andrew	160	Public Affairs Television
CITB(ITB)033	0258	CHENG Kar-foo, Andrew	160	New Media
CITB(ITB)034	099	LAU Wong-fat	160	Operational Expenses
CITB(ITB)035	1312	LEE Cheuk-yan	160	Operational Expenses
CITB(ITB)036	0679	LEUNG Fu-wah	160	Operational Expenses
CITB(ITB)037	0265	CHAN Kwok-keung	180	Film Services
CITB(ITB)038	0259	CHENG Kar-foo, Andrew	180	Film Services
CITB(ITB)039	0260	CHENG Kar-foo, Andrew	180	Film Services
CITB(ITB)040	1387	CHOW LIANG Shuk-ye, Selina	180	Film Classification and Control of Obscene and Indecent Articles
CITB(ITB)041	1317	LEE Cheuk-yan	180	Operating Expenses
CITB(ITB)042	0541	LI-Ka-cheung, Eric	180	Broadcast Monitoring and Regulation
CITB(ITB)043	050	SIN Chung-kai	177	Hong Kong Productivity Council
CITB(ITB)044	069	SIN Chung-kai	177	Hong Kong Productivity Council
CITB(ITB)045	0184	SIN Chung-kai	177	Hong Kong Productivity Council
CITB(ITB)046	0264	CHAN Kwok-keung	177	Hong Kong Applied Science and Technology Research Institute Company Limited
CITB(ITB)047	0542	LI Ka-cheung, Eric	177	Hong Kong Applied Science and Technology Research Institute Company Limited
CITB(ITB)048	0185	SIN Chung-kai	177	Hong Kong Applied Science and Technology Research Institute Company Limited

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)001

Question Serial No.

0263

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau (Information
Technology and Broadcasting Branch)

Programme: (2) Information Technology

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What programmes will be launched to pursue initiatives and activities that are related to information and creative industries? Please give a breakdown of the expenses to be incurred.

Asked by : Hon. CHAN Kwok-keung

Reply :

We will launch the following programmes in pursuit of initiatives and activities that are related to information and creative industries:

(1) Promotion of Innovation and Design

We have already established a steering committee to promote development in innovation and design through collaboration with industrial companies with outstanding record of design excellence and design professionals, with a view to raising Hong Kong's international profile on design. We will focus on enhancing the industry's design capability and promoting their upgrading from Original Equipment Manufacturing mode to Original Design Manufacturing and Original Brand Manufacturing modes. The committee is committed to promoting closer co-operation among different promotional organizations, industry players and industry support organizations, including facilitating the organization of such major events as the "Business of Design Week" through the Hong Kong Design Centre to promote the use of innovation and design for better industrial and product design.

(2) Digital Entertainment

For the digital entertainment industry (including digital special effects, computer animation and computer games), we will work closely with industry players to drive and facilitate the development of the industry. Major programmes to be launched in 2003-04 include: organize the Hong Kong Digital Entertainment Excellence Awards to recognize and honour the best work produced by the industry; organize a delegation of industry representatives to participate in E3 to be held in the U.S. and set up a Hong Kong digital entertainment pavilion there to showcase the best work produced locally and promote the industry overseas; organize the Symposium on Cross-media and Cross-business Development for Hong Kong Film Industry with the aim of fostering co-operation among the film industry, digital entertainment industry and other creative industries so as to explore new business opportunities; launch an overseas internship programme to broaden the global outlook of talented university students in the fields of digital entertainment; organize a delegation of industry representatives to participate in the China Digital Entertainment Expo & Conference and set up a Hong Kong digital entertainment pavilion there to showcase the best work produced locally so as to help the local industry explore the Mainland market. The estimated expenditure for these programmes is about \$2.7 million.

In addition, to drive and support the development of multimedia content creation in Hong Kong, we will set up a Digital Media Centre in the Cyberport by the end of the year to provide production and post-production facilities for common use by the digital entertainment industry. We are now inviting interested companies and organizations to submit proposals to build the Digital Media Centre, and the views of the industry will be fully taken into account in the preparatory process. We will work out the estimated cost incurred after hammering out the scale and details of the Centre. We will make use of the funding allocated for the Cyberport project or other sources of funding to cover the setting up cost and operating cost of the Centre.

(3) **Wireless Solutions**

With the support of the mobile network operators, equipment providers and software vendors, we are now actively facilitating the set up of a Wireless Solutions Development Centre in the Cyberport. Mainly equipped with various testing facilities and a reference library on the latest technology and market information, the Centre aims to assist the small- and medium-sized enterprises to develop the advanced mobile services in terms of applications and content creation. We expect that the Centre will be completed in the fourth quarter of this year. As we are now discussing with the industry about the scale and details of the Centre, we do not have a precise estimate on the expenditure. Upon finalization of the details, we will work out the estimated expenditure and then seek sponsorship from the industry or other sources of funding.

Name in block letters	<u>Francis Ho</u>
Post Title	<u>Permanent Secretary for Commerce, Industry and Technology (Information Technology and Broadcasting)</u>
Date	<u>19.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)002

Question Serial No.

0171

Head: 55 -Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau (Information
Technology and Broadcasting
Branch)

Programme: (1) Broadcasting and Film Services

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Please provide the details of the progress of tightening the control of unauthorised decoders for reception of subscription television services by introducing amendments to the Broadcasting Ordinance. Will the Administration impose heavier penalties on those using unauthorised decoders? If yes, please provide the details. If not, why?

Asked by : Hon. FOK Tsun-ting, Timothy

Reply :

After consulting the public at the end of 2001, the Government decided to tighten the control of using unauthorised decoders for reception of subscription television services without paying subscription fees. We will introduce legislative amendments in the middle of this year to introduce civil remedy against such an act so that service providers may take civil action against the users. We will also introduce both civil remedy and criminal sanction against the possession and use of unauthorised decoders for commercial purposes, e.g. using the unauthorised decoders for receiving subscription television programmes for public display at pubs.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry
and Technology
(Information Technology and Broadcasting)

Date

17.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)003

Question Serial No.

0743

Head: 55 - Government Secretariat:
Commerce, Industry and
Technology Bureau (Information
Technology and Broadcasting
Branch)

Subhead (No. & title): 000 Operational Expenses

Programme:

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

The provision for general departmental expenses in the estimate for 2003-04 is \$54,067,000, which is about 41% higher than the revised estimate of \$38,236,000 for 2002-03. Please give a breakdown by expenditure items and the reason(s) for the increase in expenditure?

Asked by : Hon. HO Chun-yan, Albert

Reply :

The provision for general departmental expenses in the estimate for 2003-04 is \$15,831,000 (41%) higher than the revised estimate for 2002-03. This is mainly due to the pooling of resources for internal redeployment among Information Technology and Broadcasting Branch and its departments to enable the Secretary for Commerce, Industry and Technology to pursue new initiatives and activities within his policy areas, notably those that are related to information and creative industries.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry
and Technology
(Information Technology and Broadcasting)

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)004

Question Serial No.

0105

Head: 55-Government Secretariat: Commerce, Industry and Technology Bureau (Information Technology and Broadcasting Branch) **Subhead(No. & title):** -

155-Government Secretariat: Innovation and Technology Commission -

47-Information Technology Services Department -

160-Radio Television Hong Kong -

180-Television and Entertainment Licensing Authority -

177-Subventions: Non-Departmental Public Bodies 441 and 905
Hong Kong Productivity Council
533 and 930
Hong Kong Applied Science and Technology Research Institute Company Limited

Programme: Information Technology and Broadcasting

Controlling Officer: Permanent Secretary for Commerce, Industry and Technology (Information Technology and Broadcasting)

Director of Bureau: Secretary for Commerce, Industry and Technology

Question : Regarding consultancy studies for policy making and assessment (if any) commissioned by your bureau, please provide details in the following format:

(1) Please provide the following details on the consultancy studies for which financial provision has been allocated respectively in 2001-02 and 2002-03:

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress / completed)	The Administration's follow-up action on the study reports and the progress made	Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study

(2) Please provide the following details on the consultancy studies for which financial provision has not been allocated respectively in 2001-02 and 2002-03, though consultancy studies have been made during the year:

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress / completed)	The Administration's follow-up action on the study reports and the progress made	Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study

(3) Has financial provision been allocated for commissioning consultancy studies in 2003-04? If yes, please provide the following details:

Name of consultants (if available)	Description	Consultancy fees (\$)	Status of consultancy studies (planning/ in progress / completed)

Asked by: Hon. HO Sau-lan, Cyd

Reply:

(1) The consultancy studies for which financial provision has been allocated in 2001-02 and 2002-03 in the respective expenditure heads are detailed as follows:-

Head 55 - Government Secretariat : Commerce, Industry and Broadcasting Bureau (Information Technology and Broadcasting Branch)

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress / completed)	The Administration's follow-up action on the study reports and the progress made	Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study
Pricewaterhouse Coopers Consultants Hong Kong Limited	IT manpower requirements in Hong Kong	250,000	Completed	Produced the report of the Task Force on IT Manpower in July 2001 and reported to the LegCo Panel on Information Technology and Broadcasting	-

Pricewaterhouse Coopers Consultants Hong Kong Limited & Citigate Window Creative Ltd.	to attract local students studying IT overseas to return to work in Hong Kong	120,000	Completed	Formulated and implemented measures to attract local students who study abroad in IT-related disciplines to return to work in Hong Kong and reported to the LegCo Panel on Information Technology and Broadcasting	-
N M Rothschild & Sons (Hong Kong) Limited	to assist the Government in the licensing of third generation mobile services and advise on this issue	47,000,000	Completed	The Government has, with the assistance of the consultant, completed the licensing exercise of third generation mobile services and issued 4 such licences in October 2001.	-

Head 155 - Government Secretariat : Innovation and Technology Commission

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress / completed)	The Administration's follow-up action on the study reports and the progress made	Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study
A consultancy study team comprising two professors from the Chinese University of Hong Kong and the Hong Kong University of Science and Technology	Consultancy study on Hong Kong Integrated Circuit Design Support Centre	120,000 (2001-02)	Completed	The Commission has accepted the study report, and is working on the establishment of the Integrated Circuit Design Support Centre to be located at the Science Park.	-
Arthur Anderson & Co	Techno-economic and market research study on textiles and clothing industry	308,000 (2001-02)	Completed	The Trade and Industry Department has submitted part of the recommendations made in the consultancy report to the Steering Committee on the Development of Fashion Industry for discussion.	-

Commonwealth Scientific and Industrial Research Organisation and Mr. John Gilmour, former Chief Executive of the National Association of Testing Authorities, Australia	Consultancy study on the review of the role and activities of the Hong Kong Accreditation Service and the Standards and Calibration Laboratory	181,000 (2001-02)	Completed	The Commission has accepted the study report and implemented the recommendations concerned.	-
Hong Kong Productivity Council	Consultancy study on environmental technology industry in Hong Kong	2,033,000 (2001-02) 1,355,000 (2002-03)	Completed	The Commission has accepted the study report as the deliverable of the consultancy study. It and other relevant departments will make reference to the recommendations therein to provide necessary support to the development of the environmental industry.	-

Head 177 - Subventions: Non-Departmental Public Bodies
Subheads 441 and 905 Hong Kong Productivity Council

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress / completed)	The Administration's follow-up action on the study reports and the progress made	Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study
Segal Quince Wicksteed (Asia) Ltd.	Consultancy study on the public mission, role, management and operations of Hong Kong Productivity Council (HKPC)	2,997,000 (2001-02)	Completed	The recommendations of the consultancy report have been accepted by HKPC. The Council has started to implement the recommendations made in the report on its role, management and operation. The Government has been reporting to the Panel on Commerce and Industry of the Legislative Council the implementation of the recommendations on a regular basis.	-

Head 177 - Subventions : Non-Departmental Public Bodies
 Subheads 533 and 930 Hong Kong Applied Science and Technology Research Institute Company Limited

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress / completed)	The Administration's follow-up action on the study reports and the progress made	Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study
Arthur D Little Asia Pacific, Inc.	Consultancy study on the detailed planning pertaining to the establishment of the Applied Science and Technology Research Institute (ASTRI)	1,910,153 (2001-02)	Completed	ASTRI will make reference to the study report when planning its development.	-
Squire, Sanders & Dempsey	Consultancy study on ASTRI's business policies on technology transfer and related matters	285,000 (2001-02) 380,250 (2002-03)	Completed	ASTRI will make reference to the study report when establishing its business policy on technology transfer.	-

(2) Financial provision has been allocated for the consultancy studies carried out in 2001-02 and 2002-03 in respect of the expenditure heads/subheads under the purview of the Information Technology and Broadcasting Branch. We have not carried out any consultancy studies for which financial provision has not been allocated in 2001-02 and 2002-03.

(3) The consultancy studies for which financial provision has been allocated in 2003-04 in the expenditure head concerned are detailed as follows :

Head 155 - Government Secretariat : Innovation and Technology Commission

Name of consultants (if available)	Description	Consultancy fees (\$)	Status of consultancy studies (planning/ in progress / completed)
Not available	Conduct studies on Hong Kong-Mainland technological collaboration	2,000,000	Planning
Not available	Conduct studies on further development of biotechnology in Hong Kong	880,000	Planning
Not available	Conduct respective impact studies on different types of Innovation and Technology Fund projects	2,000,000	Planning

Name in block letters Francis Ho

Permanent Secretary for Commerce, Industry
and Technology

Post Title (Information Technology and Broadcasting)

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)005

Question Serial No.

1110

Head: 55-Government Secretariat:
Commerce, Industry and
Technology Bureau (Information
Technology and Broadcasting
Branch)

Subhead (No. & title): 000 Operational Expenses

Programme:

Controlling Officer: Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau: Secretary for Commerce, Industry and Technology

Question :

Please provide the number of non-civil service contract staff employed and the expenditure involved in 2002-03. Are there any plans to employ more or less non-civil service contract staff in 2003-04? If so, what are the reasons? And what will be the number of staff and the expenditure involved?

Asked by: Hon. LEE Cheuk-yan

Reply:

In 2002-03, the Information Technology and Broadcasting Branch employed two non-civil service contract staff, and the expenditure involved was \$705,000. We have no plans to employ more or less non-civil service contract staff in 2003-04. The number of non-civil service contract staff employed will remain to be two.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry
and Technology
(Information Technology and Broadcasting)

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)006

Question Serial No.

1030

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau
(Information Technology and
Broadcasting Branch)

Programme: (2) Information Technology

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please provide the total estimate, and breakdown by expenditure items, for the Cyberport project in 2003-04 (e.g. construction of the Cyberport Portion, global and local promotion cost, etc.)

Asked by : Hon. Abraham Shek Lai-him

Reply :

Construction cost and marketing and promotion expenses including those on the sale of the units in the Residential Portion are funded by the Cyberport developer or by sales proceeds when available.

The estimated total cost/expenses for the Cyberport project in 2003-04 are as follows:-

<u>Item</u>	<u>Estimate</u> (HK\$M)
(1) Construction cost	2,670
(2) Marketing and promotion expenses	240

Total:	2,910

Sale of the first phase of the Residential Portion is in progress. About HK\$2,400M of sales proceeds has already been achieved up to mid March 2003.

In addition, \$1.6M has been included under Head 55 Subhead 700 for promotion and publicity for Cyberport on ITBB's own initiative.

Name in block letters	<u>Francis Ho</u>
Post Title	<u>Permanent Secretary for Commerce, Industry and Technology (Information Technology and Broadcasting)</u>
Date	<u>18.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)007

Question Serial No.

046

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau (Information
Technology and Broadcasting
Branch)

Programme: (2) Information Technology

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

- (a) What specific measures will the Government adopt in 2003-04 to “actively help the IT industry explore markets outside Hong Kong, in particular the Mainland market”?
- (b) When implementing the aforesaid measures, will the Government start implementing the measures at certain selected areas in the Mainland? If so, what are the criteria for choosing such areas?
- (c) When will the aforesaid measures be implemented? How long will the implementation period be? What is the estimated expenditure so involved?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) To help the local IT industry explore markets outside Hong Kong, we will continue to strengthen exchange and co-operation with the 12 countries (i.e., Australia, Canada, Finland, France, Germany, India, Ireland, Israel, Italy, South Korea, the Netherlands and the United Kingdom) with which we have signed agreements on IT cooperation and with other overseas markets, so as to assist the local industry to explore new business opportunities. Moreover, we will continue to organize large-scale IT activities (such as the Hong Kong Information Infrastructure Expo and Conference) to help the local IT companies establish business connections with their overseas counterparts and explore new business opportunities.

We will continue to help the local IT industry explore the Mainland market through the organization of various exchange activities, such as trade missions, exhibitions, conferences and trade matching services. Moreover, we will work with the Hong Kong Trade Development Council and the Hong Kong Productivity Council to provide the local IT companies with focused trade matching services in the Pearl River Delta. The Hong Kong Productivity Council will set up a comprehensive data bank of the local IT companies containing information on local IT companies such as their main business, products and services provided, track record and expertise for reference by the Mainland enterprises which wish to form business partnership with Hong Kong companies. The Hong Kong Trade Development Council will actively collect information on the IT market in the Pearl River Delta, look for Mainland enterprises interested in seeking business partners, select suitable local IT companies from the comprehensive data bank, and then organize focused trade matching activities to facilitate partnership between these IT companies in Hong Kong and in the Pearl River Delta so that they can explore the international and Mainland markets together.

We will also collaborate with the local industry bodies to organize exchange activities with the Mainland. For example, we will invite Mainland officials of the relevant departments to attend seminars in Hong Kong to jointly explore initiatives to facilitate the development of the information industries of the two places, including how to assist the local industry to obtain system integration (SI) certification in the Mainland so as to facilitate the industry to provide SI services in the Mainland. Moreover, we will assist the local industry to cooperate with the Mainland software industry associations to carry out training and exchange activities with the aim of jointly promoting the development of the software industries in both places.

- (b) As mentioned in paragraph (a), we will provide Hong Kong IT companies with focused trade matching services in the Pearl River Delta. In drawing up the various measures to assist the industry to explore markets outside Hong Kong, we have consulted a number of industry bodies. Given our geographical proximity and our close economic links with the Pearl River Delta, the local industry attaches great importance to the market in the Pearl River Delta. The Government will actively help the local IT industry to explore the market in the Pearl River Delta and to form business alliance with its counterpart in the Pearl River Delta to explore the international and Mainland markets.
- (c) The estimated expenditure involved in the said measures to help the local IT industry explore markets outside Hong Kong is about \$4 million.

Name in block letters	<u>Francis Ho</u>
Post Title	<u>Permanent Secretary for Commerce, Industry and Technology (Information Technology and Broadcasting)</u>
Date	<u>17.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)008

Question Serial No.

047

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau (Information
Technology and Broadcasting
Branch)

Programme: (2) Information Technology

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

- (a) What are the details of the new programmes to be launched in 2003-04 to drive e-business? When will the programmes be implemented? How many small and medium-sized enterprises are expected to benefit from the new programmes?
- (b) What is the difference between the aforesaid new programmes and those launched in 2002-03? What are the respective expenditures so involved? What is the difference between the two?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) The Government will continue to implement various measures to drive the development of e-business in 2003-04. Apart from the various funding schemes (such as the SME funding schemes administered by the Trade and Industry Department) and the support services offered by the industry support organizations to assist small- and medium-sized enterprises (SMEs) in IT adoption, the Commerce, Industry and Technology Bureau will extend the "IT Easy Link" pilot scheme jointly launched with the Hong Kong Computer Society for one year from July 2003. Under the scheme, members of the public can, through telephone, fax and e-mail, obtain free advice on general problems that they may encounter in using basic IT applications. Starting from July 2003, we will expand the scope of the service. In addition to providing the above-mentioned services to businesses, free face-to-face advisory services will also be provided to SMEs that intend or have just started to adopt basic, simple IT solutions, so as to assist them to start adopting IT. It is estimated that the new services for businesses can handle about 24 000 enquires through telephone, fax and e-mail, and provide 600 sessions of face-to-face advisory services in a year.

In addition, the Information Technology Services Department (ITSD) will produce a series of television programme in 2003-04 focusing on successful cases of IT adoption in different sectors so as to enhance SMEs' awareness of the real benefits that IT may bring to them. ITSD will also organize two seminars to encourage the adoption of e-business in different sectors and about 300 participants from the business and industry sector are expected to attend. ITSD also plans to work with the Travel Industry Council of Hong Kong and IT industry body to explore initiatives to assist small- and medium-sized travel agencies to adopt IT. The above projects will be funded under Head 47-Information Technology Services Department.

- (b) At present, "IT Easy Link" provides the members of the public with support services on the use of basic IT applications (including using personal computer, file management, word processing, spreadsheets, presentation and general Internet and e-mail operation) through telephone, fax and e-mail. Starting from July 2003, "IT Easy Link" will set up another dedicated telephone hotline for businesses, in particular SMEs, providing the aforesaid services as well as support services relating to data bank management, system and network management and IT security. To help those SMEs that intend or have just started to adopt IT, the scheme will also offer free face-to-face advisory services to them.

The estimated expenditure for running the "IT Easy Link" pilot scheme for the first year (i.e., from June 2002 to June 2003) is \$2.7 million, whereas the estimated expenditure for extending the service for one year and expanding the scope of service to cover businesses is about \$4.7 million.

Name in block letters	<u>Francis Ho</u>
Post Title	<u>Permanent Secretary for Commerce, Industry and Technology (Information Technology and Broadcasting)</u>
Date	<u>18.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)009

Question Serial No.

048

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau (Information
Technology and Broadcasting
Branch)

Programme: (2) Information Technology

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

As the Government will introduce new initiatives in collaboration with industry support organisations to encourage and assist local software companies to obtain internationally- recognised quality certification,

- (a) which internationally-recognised quality certification will the Government encourage and assist local software companies to obtain? What are the selection criteria?
- (b) what are the specific details of the initiatives? Will they include provision of funding support or loans by the Government? If yes, what is the amount of funding involved? When will such initiatives be implemented?
- (c) will the possession of the internationally-recognised quality certification referred to in item (a) become a mandatory or preference requirement for the software industry to bid Government IT projects after the implementation of the initiatives?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) Increasingly, both in the international and Mainland markets, greater importance has been attached to the quality of software products. To assist local software companies to enhance their competitiveness in markets outside Hong Kong, the Government will, in collaboration with industry support organizations, encourage and assist local software companies to obtain the Capability Maturity Model (CMM) certification. The CMM, developed by the Carnegie Mellon University in the USA, has been widely adopted and is now the de facto international quality standard for software development. As CMM has not been widely adopted in Hong Kong and the costs involved in obtaining CMM certification are quite substantial, very few local software companies have sufficient resources to adopt CMM. In view of this, the Government will, in collaboration with industry support organizations, assist and encourage local software companies to obtain CMM certification.

- (b) Through the Innovation and Technology Fund, the Government is providing funding support of \$5 million to the Hong Kong Productivity Council to establish a CMM Assessment Grant to assist 15 local software companies to obtain CMM level 2 or above certification by providing financial support of up to \$300,000 for each company. The Hong Kong Productivity Council will be responsible for processing the funding applications of software companies, allocating funding to successful applicants and monitoring their progress of obtaining the certification. The scheme is now open for applications until 4 April 2003. The Hong Kong Productivity Council will also organize forums for participating companies to share their experience with the local software industry.

In addition, the SME Development Fund has approved funding support of about \$2 million to a number of local industry organizations (including the Hong Kong Information Technology Federation, the Information and Software Industry Association, the Hong Kong Quality Assurance Agency and the Hong Kong Computer Society) to promote the adoption of CMM in Hong Kong through such activities as workshops.

- (c) The Government does not intend to impose a mandatory requirement that bidders for Government IT projects must have internationally-recognised quality certification. However, the possession of the internationally-recognised quality certification will, where appropriate, be one of the factors for consideration in the assessment of bids for Government IT projects. The Information Technology Services Department has already issued a circular to encourage Government departments to consider awarding score to tenderers who have obtained internationally-recognised quality certification (including CMM and other quality certification) if a marking scheme is adopted in the assessment of tender proposals.

Name in block letters	<u>Francis Ho</u>
Post Title	<u>Permanent Secretary for Commerce, Industry and Technology (Information Technology and Broadcasting)</u>
Date	<u>17.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)010

Question Serial No.

049

Head: 55 - Government Secretariat:
Commerce, Industry and Technology
Bureau (Information Technology and
Broadcasting Branch)

Subhead (No. & title):

Programme: (3) Telecommunications

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question

- (a) Please provide details about the Government's efforts to promote the development of the third generation mobile services (3G) and applications.
- (b) What is the estimated expenditure so involved?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) Since the Government issued 4 licences through the royalty auction scheme in October 2001, mobile network operators have started rolling out the third generation mobile network. Our priority task ahead is to drive the development of the advanced mobile services (including 3G services) in terms of applications and content.

With the support of the mobile network operators, equipment providers and software vendors, we are now actively facilitating the set up of a Wireless Solutions Development Centre in the Cyberport. Mainly equipped with various testing facilities and a reference library on the latest technology and market information, the Centre aims to assist the small- and medium-sized enterprises to develop the advanced mobile services in terms of applications and content creation. We expect that the Centre will be completed in the fourth quarter of this year. We will continue to work closely with the industry to further promote the development of the advanced mobile services.

- (b) As we are now discussing with the industry about the scale and details of the Wireless Solutions Development Centre, we do not have a precise estimate on the expenditure. We will seek sponsorship from the industry or other sources of funding upon finalization of the details.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry and
Technology
(Information Technology and Broadcasting)

Date

17.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)011

Question Serial No.

0172

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and Technology
Bureau (Information Technology and
Broadcasting Branch)

Programme: (2) Information Technology

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

On "exploring the feasibility of allowing the contractors engaged to develop IT systems and software for the Government to distribute such systems and software to other parties",

- (a) how many sets of systems and software now owned by the Government were developed by contractors? Who owns the copyright?
- (b) what is the cost of system and software development borne by the Government? If the Government allows contractors to distribute the systems and software to other parties, will the Government charge the contractors or users to recover the development cost?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) The Government is now exploring the feasibility of allowing the contractors engaged to develop IT systems or software for the Government in future to distribute such systems or software to other parties. Such an arrangement will only apply to systems or software developed by contractors for the Government in future. As regards the questions on the number of systems and software now owned by the Government that were developed by contractors and ownership of the copyright, we have not conducted a survey in this regard and therefore cannot provide such information.
- (b) As to the system and software development cost borne by the Government, it varies with individual systems or software. On the question of whether the Government will, when allowing contractors to distribute the systems or software to other parties, charge the contractors or users so as to recover the development cost, the bureaux and departments concerned are now studying the issue and no decision has been taken yet.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry and
Technology
(Information Technology and Broadcasting)

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)012

Question Serial No.

0173

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau
(Information Technology and
Broadcasting Branch)

Programme: (3) Telecommunications

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the telecommunications licences,

- (a) what are the details of a streamlined licnesing regime?
- (b) whether the cost savings so achieved will be reflected through a lowering of fees for various telecommunications licences?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) To streamline the licensing regime, a class licence has been created under the Telecommunications (Amendment) Ordinance 2000. The creation of the class licence provides a streamlined licensing regime. Under the class licence regime, any person who meets the specified minimum qualifications can operate the telecommunications equipment or services covered by the class licence without the need for individual licence application and approval.

Up to now, the Telecommunications Authority created the class licence for in-building telecommunications systems and the class licence for the provision of public wireless Local Area Network services in November 2002 and February 2003 respectively. No licence fees for the two types of class licence are levied. The Telecommunications Authority will, in the light of technological developments and market demands, consider to issue other types of class licence so as to further streamline the licensing regime.

- (b) All along, fees for telecommunications licences are set and revised on a cost-recovery basis. As such, any cost savings so achieved will be reflected in the setting of the licence fees as well as in the subsequent regular reviews and revisions of fee. As Members may be aware, the Office of the Telecommunications Authority levies no licence fees for the above two types of class licence.

Name in block letters	<u>Francis Ho</u>
Post Title	<u>Permanent Secretary for Commerce, Industry and Technology (Information Technology and Broadcasting)</u>
Date	<u>17.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)013

Question Serial No.

0364

Head: 55 - Government Secretariat: Subhead (No. & title):
Commerce, Industry and
Technology Bureau (Information
Technology and Broadcasting
Branch)

Programme: (2) Information Technology

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Information Technology and Broadcasting)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Provision for 2003-04 is HK\$26.3 million (21.8%) higher than the revised estimate for 2002-03 with one of the reasons that the requirement for the Electronic Service Delivery scheme will be heightened. What are the tasks of the scheme going to be performed in the fiscal year 2003-04?

Asked by : Hon. YOUNG Howard

Reply : The Electronic Service Delivery (ESD) services have been experiencing increasing usage in the past 2 years. We shall introduce further services through ESD in 2003-04. Two key areas are the appointment booking service for the smart ID card replacement exercise, and a one-stop service of notification of change of address to 14 departments. Further to increase the user-friendliness of the ESD services, we will also introduce some personalisation and customer relationship management features in 2003-04. With the introduction of new services and service improvement, we expect a higher usage in 2003-04 than that in 2002-03. Therefore, we need more resources in 2003-04 both to promote and to implement the new services and service enhancements as well as to meet additional costs arising from higher utilisation.

Name in block letters

Francis Ho

Post Title

Permanent Secretary for Commerce, Industry
and Technology
(Information Technology and Broadcasting)

Date

17.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)014

Question Serial No.

0270

Head: 155 Government Secretariat: Innovation and Technology Commission Subhead (No. & title):

Programme: (5) Infrastructural Support

Controlling Officer: Commissioner for Innovation and Technology

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

The Government advocates the development of creative industries in Hong Kong, including the design industry. For the Hong Kong Design Centre (HKDC) established in September 2002, will the Government inform this Council of the specific programmes it will implement in 2003-04? What are the resources implications of these programmes and how to evaluate the effectiveness of the work?

Asked by: Hon. CHAN Kwok-keung

Reply:

In 2003-04, the HKDC will continue to organise design-related exhibitions, forums, seminars, lectures and roadshows either on its own or in collaboration with other trade and industry organisations. The HKDC will also market its facilities and services to increase its visibility and income, and maintain close communication with overseas design organisations to promote the development of Hong Kong design industry.

The HKDC will organise the "Business of Design Week 2003" in December as its flagship event this year. The event will include competitions and awards, seminars, exhibitions, workshops and other promotional activities. The HKDC will also form an International Board of Advisors in 2003-04 to help promote and facilitate the development of innovation and design in Hong Kong.

To support the HKDC, the Government has provided a one-off grant of \$10 m to cover its initial operating costs. The HKDC has to obtain the necessary resources from other income sources such as membership fees, sponsorships or different kinds of support funds provided by the Government, for implementing the above programmes and activities.

The HKDC has a two-tier control system including a Board of Governors and a Board of Directors. The Board of Governors steers the HKDC on matters of policy and strategy, and monitors and evaluates the effectiveness of the work of the HKDC. The Board of Directors implements policies formulated by the Board of Governors, and plans and carries out activities of the HKDC. The Permanent Secretary for Commerce, Industry and Technology (Information, Technology and Broadcasting) is one of the members of the Board of Governors.

Name in block letters

Mrs. Sarah KWOK

Post Title

Acting Commissioner for Innovation and Technology

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)015

Question Serial No.

0405

Head: 155 GS:Innovation and Technology Commission Subhead (No. & title):

Programme: (4) Planning for Innovation and Technology Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Will the government inform this Council of the policy research that was undertaken by the Council of Advisors on Innovation and Technology (CAIT) in 2002-03? How many of such policies have been taken forward? Please also state the operating expenses of the CAIT in 2002-03.

Asked by : Hon. CHAN Kwok-keung

Reply :

In 2002-03, the CAIT has considered and made proposals to the Government on the possible areas of focus on technology as Hong Kong's niches and which we have the potential to excel. These areas include integrated circuit (IC) design, wireless services and applications, and nanotechnology, etc. These proposals have been valuable to relevant authorities (such as the Hong Kong Science and Technology Parks Corporation (HKSTPC) and the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI)) in setting their future programme directions.

The CAIT's proposals are being implemented in stages. For example, the HKSTPC will establish an IC Design Support Centre in the Hong Kong Science Park to give technical support (including computer-assisted design tools and programs) to tenants and the industry, and to attract more companies of the industry to enter the Science Park, facilitating the development of the IC design industry in Hong Kong. The ASTRI, which performs relevant and high quality research and development for transfer to industry for commercialisation, has set its research programmes to focus on photonic technologies, integrated circuit design, wireless communications, Internet software and biotechnology.

The operating expenses of the CAIT in 2002-03 amount to about \$760,000.

Name in block letters Mrs. Sarah KWOK

Post Title Acting Commissioner for Innovation and Technology

Date 18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)016

Question Serial No.

0406

Head: 155 Government Secretariat: Subhead (No. & title):
Innovation and Technology Commission

Programme: (4) Planning for Innovation and Technology Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

An additional provision of \$12.7 m is required for Programme (4) in 2003-04 partly due to the full-year provision for filling vacant posts. Please give a brief on the number and ranks of the vacancies involved and the provision details in this respect. Will the provision be further increased in the coming years?

Asked by : Hon. CHAN Kwok-keung

Reply :

Provision for 2003-04 under Programme (4) Planning for Innovation and Technology Development is \$12.7 m higher than the revised estimate for 2002-03, of which about \$800,000 is for the full-year provision for filling vacant posts. The requirement of the remaining sum of around \$11.9 m is mainly due to the increased cashflow requirement for the non-recurrent expenditures on technology consultancy studies and promotion events.

In 2002-03, ranks of the vacant posts in the Innovation and Technology Commission (ITC) in relation to Programme (4) were Commissioner for Innovation and Technology, Administrative Officer Staff Grade C and Senior Personal Secretary. Of the total additional provision for filling vacant posts, the portion of the provision for the three vacant posts under this Programme amounts to about \$800,000.

We do not anticipate the provision in this respect to be further increased in the coming years.

Name in block letters

Mrs. Sarah KWOK

Post Title

Acting Commissioner for Innovation and
Technology

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)017

Question Serial No.

0745

Head: 155 Government Secretariat: Subhead (No. & title):
Innovation and Technology
Commission

Programme: (4) Planning for Innovation and Technology Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

The estimated provision for 2003-04 is \$30.3 m, which is 72.2% higher than the revised provision of \$17.6 m for 2002-03. Please inform this Council of the amount to be spent on technological researches and promotion events.

Asked by : Hon. HO Chun-yan, Albert

Reply :

Provision for 2003-04 under Programme (4) Planning for Innovation and Technology Development is 72.2%, i.e. \$12.7 m, higher than the revised estimate for 2002-03. This is mainly due to the full-year provision of an additional amount of around \$800,000 for vacant posts filled in 2002-03 and increased cashflow requirement for the non-recurrent expenditures on technology consultancy studies and promotion events.

It is expected that the additional expenditure for technology consultancy studies and promotion events for 2003-04 is around \$11.9 m in total, of which around \$2.9 m will be spent on two consultancy studies, while the remaining sum of around \$9 m is for promoting innovation and technology activities.

Name in block letters

Mrs. Sarah KWOK

Post Title

Acting Commissioner for Innovation and
Technology

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)018

Question Serial No.

0678

Head: 155 Government Secretariat: Subhead (No. & title): 000 Operational expenses
Innovation and Technology
Commission

Programme:

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

While the establishment of the Innovation and Technology Commission (ITC) remains the same as the previous year, why is there an increase of 1.6% in personal emoluments in 2003-04? Will ITC redeploy its resources in the coming year to tie in with its future development and priorities?

Asked by : Hon. HUI Cheung-ching

Reply :

The provision for personal emoluments for the Innovation and Technology Commission (ITC) in 2003-04 is 1.6% higher than that for last year. This is mainly due to the full-year provision for vacant posts filled in 2002-03, one permanent post to be created in 2003-04 and salary increments granted to a small number of staff. The increase in expenditure in 2003-04 is partly offset by the effect of the civil service pay cut in 2002 and the lapse of a supernumerary post in 2003-04.

ITC will reprioritise the provision of services, reorganise its structure, reengineer procedures and make full use of the market, so as to optimise resources, with a view to tying in with its list of priorities and development needs.

Name in block letters

Mrs. Sarah KWOK

Post Title

Acting Commissioner for Innovation and
Technology

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)019

Question Serial No.

1285

Head: 155 Government Secretariat:
Innovation and Technology
Commission

Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Please provide the number of non-civil service contract staff employed and the level of expenditure involved in 2002-03. Are there any plans to employ more or less non-civil service contract staff in 2003-04? If so, what are the reasons? And what will be the number of staff and the level of expenditure involved?

Asked by : Hon. LEE Cheuk-yan

Reply :

As at 1 March 2003, the Innovation and Technology Commission (ITC) has employed 26 non-civil service contract (NCSC) staff. The estimated salary costs of these monthly-paid contract staff is about \$13.87 m in 2002-03.

In 2003-04, ITC intends to employ one more NCSC staff to fill the post of Technopreneurial Funding Manager and the expenses involved will be around \$430,000. The employment aims at strengthening our efforts in technological entrepreneurship and development.

Name in block letters

Mrs. Sarah KWOK

Post Title

Acting Commissioner for Innovation and
Technology

Date

19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)020

Question Serial No.

0178

Head: 155 Government Secretariat: Innovation and Technology Commission
Subhead (No. & title):

Programme: (1) Support for Research and Development

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Regarding the inspection checks on the organisations supported by the Innovation and Technology Fund (ITF),

- (a) how many recipient organisations were involved in the inspection checks conducted by the Innovation and Technology Commission (ITC) in 2002-03? What were the findings?
- (b) how many recipient organisations are expected to receive inspection checks in 2003-04?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) Inspection checks were conducted on three recipient organisations involving 42 projects in 2002-03. According to the findings, the three recipient organisations could in general use the funds within the approved project budget, except that the calculation for some of the items did not comply fully with the rules for using the ITF funds, such as calculating interests in a different way and failing to place the funds into suitable accounts to generate interests etc. The inspection checks are near completion, and a total of \$861,000 has been recovered.
- (b) It is expected that the ITC will conduct inspection checks on five recipient organisations in 2003-04.

Name in block letters Mrs. Sarah KWOK

Post Title Acting Commissioner for Innovation and
Technology

Date 18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)021

Question Serial No.

1160

Head: 155 Government Secretariat:
Innovation and Technology Commission

Subhead (No. & title):

700 General other non-
recurrent

Programme:

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

In early 2002, the Audit Commission criticised that the \$5 b Innovation and Technology Fund (ITF) was not effectively monitored, rendering a non-recoverable loan of \$16.9 m, and that no mechanism was set up to evaluate the effectiveness of the Fund. What measures have the Innovation and Technology Commission (ITC) adopted to monitor the Fund? Will it commit resources to strengthen its monitoring work? Also, what progress has the ITC made in the impact studies on the ITF projects?

Asked by : Hon. SIN Chung-kai

Reply :

In his Report No. 38, the Director of Audit pointed out that initiatives for monitoring the Innovation and Technology Fund (ITF) were established in 2000. Under such initiatives, auditors of the recipient organisations are required to submit audited accounts of the funded projects to provide an assurance that the conditions of the grant have been met. Moreover, the Innovation and Technology Commission (ITC) has also set up an on-site inspection team to conduct expenditure inspection checks on recipient organisations, through which \$16.9 m has been successfully recovered by the ITC. We will continue to monitor the usage of the funds by the recipient organisations through the above mechanism and initiatives, and conduct necessary expenditure inspection checks.

As for the evaluation of the effectiveness of the Fund, ITC has established a three-tier system in evaluating the effectiveness of the projects funded by the ITF. The result and progress of the evaluation were reported to the LegCo Panel on Commerce and Industry in February 2003. We have planned to evaluate the overall effectiveness and impacts of ITF funded projects on specific technology areas or sectors of industry. It is expected that an appropriate mechanism will be established by the end of this year for conducting the relevant impact studies.

Name in block letters

Mrs. Sarah KWOK

Post Title

Acting Commissioner for Innovation and Technology

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)022

Question Serial No.

0903

Head: 155 Government Secretariat: Subhead (No. & title):
Innovation and Technology Commission

Programme: (5) Infrastructural Support

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

How many resources had the HKSAR Government committed to the development of the Hong Kong Science Park project up to 2002-03? What will be the resource requirements for the development of Phases 2 and 3 in 2003-04?

Asked by : Hon. TING Woo-shou, Kenneth

Reply :

Construction of Phase 1 of the Science Park is under the Public Works Programme, with the Architectural Services Department (ASD) being responsible for the construction process. Up to 2002-03, the total estimated expenditure for the project is \$1,725 m, while the estimated expenditure in 2003-04 is \$686 m.

The Hong Kong Science and Technology Parks Corporation (HKSTPC) will be responsible for the construction process of Phase 2 of the Science Park. Detailed design and planning are underway and construction has not yet commenced. In July 2001, the Finance Committee of the Legislative Council approved to provide HKSTPC with an equity injection and loan from the Capital Investment Fund to enable it to proceed with the construction of Science Park Phase 2. The first injection of \$96 m is expected to be available for HKSTPC in 2003-04.

Planning of Phase 3 of the project has not yet commenced.

Name in block letters

Mrs. Sarah KWOK

Post Title

Acting Commissioner for Innovation and
Technology

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)023

Question Serial No.

0262

Head: 47 – Information Technology Services Department

Subhead (No. & title):

Programme: (2) IT Infrastructure and Standards

Controlling Officer : Director of Information Technology Services

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : ITSD has provided the Working Group on Internet 2 Development with what support services in 2002-03? What is the cost for the provision of such services last year? Please advise on the findings of the Working Group. Of these findings, which ones are expected to be implemented, and what are the estimated resources required for implementation?

Asked by : Hon. CHAN Kwok-keung

Reply : The Working Group on Internet2 Development operates under the coordination of the Information Technology and Broadcasting Branch of the Commerce, Industry and Technology Bureau. In 2002-03, ITSD has provided the Working Group with secretariat and technical consultation support services. As these services were delivered by our staff responsible for IT infrastructure and security work, no extra expenditure was incurred.

The Internet2 network in Hong Kong is managed by the Joint Universities Computer Centre (JUCC), with funding provided by the University Grants Committee. In 2002-03, expenditure amounted to \$3.4 million. It is estimated that the expenditure for the network in 2003-04 will be around \$3 million. Additionally, JUCC has received commercial sponsorship for local data network service for two years, and has been donated with a central router.

The Internet2 link in Hong Kong has linked up with the US Internet2 Backbone in October 2002. Since its establishment, JUCC and the researchers, teaching staff and students from local tertiary institutions have begun to use the network for various research purposes, which includes transmitting and receiving meteorological information and DNA data, and conducting multi-point videoconferences and video broadcast with their overseas counterparts. Other research projects that have been launched since November 2002 include Grid Computing, and experimenting with linking to Ipv6 network. In December 2002, while ITU Telecom Asia 2000 Hong Kong was being held in Hong Kong, Hong Kong and Canadian students also use the network to carry out real-time interactive exchange in a classroom setting.

On the 20th of February this year, an opening ceremony cum seminar to celebrate the establishment of the Internet2 link was organized by JUCC with support from CITB and ITSD. Speakers at the seminar included representatives of US Internet2 institutions and Mainland experts in the fields of education and network research. The themes of the talks included development and application of the Internet2 network. The seminar aimed at familiarizing the academics, the industry and the public with this revolutionary Internet technology.

Name in block letters	<u>Alan Wong</u>
Post Title	<u>Director of Information Technology Services</u>
Date	<u>19.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)024

Question Serial No.

1010

Head: 47 – Information Technology Services Department Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Director of Information Technology Services

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In 2003-04, ITSD will:

- (1) take further steps to address the issue of digital divide in Hong Kong, including the exploration of the development of text-to-speech translation technology and a sound version for government websites. With regard to the development work, will it be performed by departmental staff or by hired experts? What will be the estimated provision required?
- (2) continue to organise the "IT Hong Kong" campaign. Please advise on the specific events of the campaign and the provision required.

Asked by : Hon. HO Chung-tai, Raymond

Reply : Our plan is to deploy departmental staff to explore the development of a sound version for government websites, and to have a trial system provided by software vendors for testing purpose. The initial plan is to set up a pilot sound portal involving the services of several departments for a trial run. The estimated expenditure required will be determined after the scope of the pilot sound portal has been worked out.

In 2003-04, the Government will continue to organise the "IT Hong Kong" campaign to promote the use of information technology in the community to develop a digitally inclusive society. The activities and expenditure of the campaign are as follows:

Project Items	Responsible Bureaux/Departments	Estimated Expenditure (\$m)
• IT Academic Quiz for Secondary Schools	Information Technology Services Department, Radio HK and Home Affairs Department	0.4

Project Items	Responsible Bureaux/Departments	Estimated Expenditure (\$m)
• "IT Hong Kong" website maintenance and operation	Commerce, Industry & Technology Bureau, and Information Technology Services Department	0.5
• Visits to IT facilities arranged for IT Pioneers	Information Technology Services Department	0.1*
• IT Awareness Programmes for parents of primary students	Commerce, Industry & Technology Bureau, Information Technology Services Department, and Home Affairs Department	0.4
• IT Awareness Programme for Districts with enhanced content	Commerce, Industry & Technology Bureau, Information Technology Services Department, and Home Affairs Department	1.2
• IT Awareness Programme for people with disabilities	Social Welfare Department	2.3
• District IT promotional activities	Commerce, Industry & Technology Bureau, and Home Affairs Department	0.3
Total Estimated Expenditure		5.2

* (\$0.1m has been funded in 2002-03)

Name in block letters	<u>Alan Wong</u>
Post Title	<u>Director of Information Technology Services</u>
Date	<u>19.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)025

Question Serial No.

1501

Head: 47 – Information Technology Services Department Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Director of Information Technology Services

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In relation to the guidance and support provided by the Government in 2002-03 to assist bureaux/departments in revamping their websites to improve web accessibility for the visually impaired, how many bureaux/departments have completed revamping their websites? What are the estimated resources to be allocated for the revamp work in 2003-04? When will the whole exercise be completed?

Asked by : Hon. HO Sau-lan, Cyd

Reply : By mid-2002, all bureaux and departments have completed revamping their websites in line with the barrier-free web page standards set by the Government to facilitate access by people with disabilities and in particular those who are visually impaired. We will continue to monitor the websites to ensure that future updates to the web pages will follow the barrier-free standards. Should deviations be noted, the webmaster of the sites in question will be notified to make prompt improvements.

In 2003-04, the Information Technology Services Department does not have to allocate extra provision to enhance the government web pages for barrier-free access. The expenditure required to maintain the web accessibility standard is paid under the recurrent expenditure of the individual bureaux and departments.

Name in block letters Alan Wong

Post Title Director of Information
Technology Services

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)026

Question Serial No.

1298

Head: 47 – Information Technology Services Department

Subhead (No. & title):

Programme:

Controlling Officer : Director of Information Technology Services

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please provide the number of non-civil service contract staff employed and the level of expenditure involved in 2002-03. Are there any plans to employ more or less non-civil service contract staff in 2003-04? If so, what are the reasons? And what will be the number of staff and the level of expenditure involved?

Asked by : Hon. LEE Cheuk-yan

Reply : In 2002-03, the number of non-civil service contract staff employed by the Information Technology Services Department (ITSD) was 59, involving a total expenditure of \$9.81m. In 2003-04, the ITSD will continue to engage non-civil service contract staff to meet the needs of the various jobs of the department. The number of staff engaged and the level of expenditure involved will be comparable to those of 2002-03.

Name in block letters Alan Wong

Post Title Director of Information
Technology Services

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)027

Question Serial No.

0550

Head: 47 – Information Technology Services Department

Subhead (No. & title):

Programme: (1) Use of IT in Government
(2) IT Infrastructure and Standards
(3) IT in the Community

Controlling Officer : Director of Information Technology Services

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the estimates of expenditure of \$578.8m of ITSD in 2003-04, what is the estimated expenditure on commissioning recurrent and non-recurrent consultancy studies? Please provide the names of the consultancy studies, which have been approved with financial provision and will be held in 2003-04, and the consultancy fees of these studies.

Asked by : Hon. LI Ka-cheung, Eric

Reply : In 2003-04, ITSD will continue to conduct the consultancy study on the department's Change Management Programme. The non-recurrent expenditure of \$2.287 m will be funded by the Financial Services and the Treasury Bureau under "Subhead 182 Expenses for the Appointment of Financial and Management Consultants" of "Head 106 Miscellaneous Services". The total cost of the consultancy study is \$4.574 m of which the first stage of the expenditure (\$2.287 m) has already been funded in 2002-03 under Subhead 182 of Head 106. The study does not involve recurrent expenditure.

Name in block letters Alan Wong

Post Title Director of Information
Technology Services

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)028

Question Serial No.

0551

Head: 47 – Information Technology Services Department Subhead (No. & title):

Programme: (3) IT in the Community

Controlling Officer : Director of Information Technology Services

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In 2003-04, have resources been allocated to assist people with disabilities to make use of information technology in addressing the issue of digital divide? If yes, please elaborate on the specific measures.

Asked by : Hon. LI Ka-cheung, Eric

Reply : The Government plans to spend about \$8.2m in 2003-04 to help people with disabilities make use of information technology in addressing the issue of digital divide. Details of the plan are as follows:

Project Items	Responsible Bureaux/Departments	Estimated Expenditure (\$m)
• To explore the availability of Chinese digital library	Information Technology Services Department and Leisure and Cultural Services Department	0.3
• To continue providing IT Awareness Courses	Social Welfare Department	2.3
• To continue promoting barrier-free web designs in the private sector	Information Technology Services Department	0.2
• To continue sponsoring the Web Care Campaign	Information Technology Services Department	0.3
• To provide additional assistive software for use by the visually impaired at Community Cyber Points	Information Technology Services Department and Home Affairs Department	1.0

Project Items	Responsible Bureaux/Departments	Estimated Expenditure (\$m)
• To provide financial assistance to people with disabilities for purchasing computer facilities	Social Welfare Department	1.0
• To install computer facilities and provide free Internet access for rehabilitation units	Social Welfare Department	3.1

	Total estimated expenditure	8.2

Name in block letters Alan Wong

Post Title Director of Information
Technology Services

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)029

Question Serial No.

0436

Head: 47 – Information Technology Services Department

Subhead (No. & title):

Programme: (2) IT Infrastructure and Standards

Controlling Officer : Director of Information Technology Services

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What is the progress of the E-Government programme ? What information technology infrastructure is planned to support the programme ? How much resources has been allocated for such enhancement in the fiscal year 2003-04 ?

Asked by : Hon. YOUNG Howard

Reply : Our E-government programme is progressing well. We have set a target of providing e-option for at least 90% of those public services amenable to electronic mode of service delivery by end 2003. As at end 2002, 81% of those public services amenable to electronic mode of service delivery have e-option. We expect to meet our target in 2003. The detailed elements of the programme are set out in our regular reports to the IT Panel, the last being issued in January 2003.

In respect of the information technology infrastructure being put in place by ITSD to support the E-government programme, in 2003-04 we plan to establish a shared 'e-service' application development and implementation platform that will facilitate bureaux and departments to build, operate and deliver various E-government services to exchange information and perform transactions with the public through the Internet. In addition, we will enhance the security features of the government intranet services. Furthermore, we will start defining standard Extensible Mark Up Language (XML) schemas for data items commonly used by bureaux and departments. We will also prepare an XML Schema Design and Management Guideline to facilitate bureaux and departments to define their business specific schemas in a reusable manner. These will facilitate the reengineering of business and transaction processes among government departments in providing their e-options.

Other infrastructure elements being put in place by departments include the continuation of the Government Office Automation Extension Programme for the remaining 15 departments. We will launch a pilot Accessibility Programme to equip government officers with facilities to transact with the government and access to the Internet and conduct a review to consider service-wide rollout.

The estimated non-recurrent expenditure for the infrastructure enhancements mentioned above is around \$64 million for which funding has been earmarked for projects under CWRP Head 710 Computerisation Subhead A007GX (Block Vote).

Name in block letters

Alan Wong

Post Title

Director of Information
Technology Services

Date

19.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)030

Question Serial No.

0261

Head: 160 Radio Television Hong Kong Subhead(No. & title):

Programme: (2) Public Affairs Television

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

The estimate number of hours of output for current affairs and documentary programmes will be less in 2003-04, comparing with those in 2002-03, while the cost per hour is predicted to rise. What is the reason?

Asked by: Hon. CHAN Kwok-keung

Reply:

Fluctuations in unit cost between programming strands reflect RTHK's production emphasis for the year. The increase in estimated unit cost for Current Affairs and Documentary programmes is mainly due to stepping up the coverage on international and China related issues to enrich audience understanding of international and Mainland topics, and to broaden their vision. As these productions require overseas filming, the cost will be higher. In fact, on the whole, the cost per hour of television programmes will be reduced from \$393,700 in 2002-03 to \$388,400 in 2003-04.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 20.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)031

Question Serial No.

0256

Head: 160 Radio Television Hong Kong

Subhead(No. & title):

Programme: (1) Radio

(2) Public Affairs Television

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

(a) Has any cost comparison been done between RTHK's radio and television programmes productions and those of other commercial broadcasters? If yes, please provide the cost per hour comparison between RTHK and other broadcasters. If no, why? Will the government allocate provisions in 2003-04 to study the production costs comparison of radio/TV programmes between public and commercial broadcasters?

(b) Under Programme (1), the cost per hour for RTHK's Channel 2 has always been higher than Channel 1. Why?

Asked by: Hon. CHENG Kar-foo, Andrew

Reply:

(a) It is difficult to do a production costs comparison between RTHK and commercial broadcasters as we are unable to obtain their programme costing information. Moreover, the programme format and nature has a direct bearing on the production costs. A one-off programme's production costs could vary greatly from the costs of a programme series, and the cost comparison cannot be simply explained by the relativity of statistical numbers.

In view of this, the government has no plan to allocate provisions in 2003-04 to make a study to compare the production costs of public and commercial broadcasters.

(b) The production cost per hour for Channel 2 is in general slightly higher than Channel 1, due to the following two factors:

Firstly, one major element of Channel 2 programming is the production of programmes and activities with young people's direct participation, as a way of promoting community building and civic education. For example, the "Solar Project", which is held annually from end-June to early September, and the "Best Improved Students" in October, plus the publicity campaigns on anti-narcotics and anti-smoking organised in recent years. These activities require heavy manpower and resources commitment which push up the production cost.

Secondly, the number of output hours for Channel 2 is fewer, which also explains its higher unit cost.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 20.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)032

Question Serial No.

0257

Head: 160 Radio Television Hong Kong Subhead(No. & title):

Programme: (2) Public Affairs Television

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

Under Programme (2), has RTHK reserved provisions in 2003-04 to pay for the broadcast programmes on Cable TV, Roadshow and M-Channel? How much is the expenditure in that regard for RTHK in 2002-03?

Asked by: Hon. CHENG Kar-foo, Andrew

Reply:

Since Hong Kong Cable, Roadshow and M Channel transmit RTHK programmes free of charge, RTHK does not need to pay fees in this regard.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 20.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)033

Question Serial No.

0258

Head: 160 Radio Television Hong Kong Subhead(No. & title):

Programme: (4) New Media

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question :

RTHK has prescribed estimate indicators for “daily hit rate” and “number of daily multi-media access” under Programme (4). What is the basis used in setting these estimate indicators?

Asked by: Hon. CHENG Kar-foo, Andrew

Reply:

The projection of “daily hit rate” is based on the previous rates of a continuous rise of access to our website, as well as a worldwide trend of increase in Internet and Broadband access. The average number of daily hits on RTHK’s website has risen continuously from 2 m (June 2000), 3.6 m (May 2001), 6.2 m (December 2001) to the latest level of 8.2 m (December 2002). The increase is mainly attributable to the webcasting of all RTHK radio channels and television programmes, and the provision of Simplified Chinese as well as Chinese and English news scripts.

The projected “number of daily multi-media access” is based on the refinement of contents and their attractiveness. RTHK New Media Unit will launch a series of e-Learning online projects focusing on culture and education and a number of live video webcast programmes that are attractive to Internet users. The new and upcoming e-Learning webcast programmes include “Distinguished Lectures”, “Speaking Better English Online”, “Web-thinking with Dr. Lee Tin-ming” and Live video webcast of the “75th Year of Broadcasting in Hong Kong” Celebration Concerts. We believe these contents will boost usage and predict that access to multi-media will increase by 20% to 130,000 daily.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 20.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)034

Question Serial No.

099

Head: 160 Radio Television Hong Kong Subhead(No. & title): 000 Operational Expenses

Programme:

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

It is expected that there would not be any change to RTHK's staff establishment in 2003-04. Why is there an increase in the job-related allowances. Please explain.

Asked by: Hon. LAU Wong-fat

Reply:

In 2003-04, RTHK's total provision for "Job-related allowances" and "Allowances" amounts to \$3,956,000, representing a decrease of 5.8% compared with the revised estimate for 2002-03 of \$4,198,000.

The increase in provision in 2003-04 under "Job-related allowances" is due to the reshuffling of expenditure items. An analysis of the provision under "Job-related allowances" is as follows:

Expenditure item	(Revised Estimate) 2002-03	(Estimate) 2003-04
(1) Shift duty allowance	\$44,000	\$44,000
(2) On-call allowance	\$52,000	--
(3) Typhoon allowance and rain storm warning allowances	--	\$60,000
Total	\$96,000	\$104,000

From 2003-04, item (2) will be accounted for under "Allowances" whereas item (3) will be grouped under "Job-related allowances".

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 20.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)035

Question Serial No.

1312

Head: 160 Radio Television Hong Kong Subhead(No. & title): 000 Operational Expenses

Programme:

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

In 2002-03, how many non civil service contract staff were employed and the amount of expenditure involved? Is there any plan to increase or decrease the number of these staff in 2003-4? If yes, please provide the number of increase or decrease with reasons and the amount of expenditure involved?

Asked by: Hon. LEE Cheuk-yan

Reply:

As at 1 March 2003, RTHK employed 270 contract staff. The estimate of total emoluments paid to contract staff (including MPF contribution and contract gratuities) in 2002-03 has been revised to \$72m, representing 23% of the total departmental emoluments during the year. The number of these staff and percentage to total emoluments in 2003-04 will be maintained at the current level. However, the emoluments to be paid to contract staff in 2003-04 will be slightly less due to the knock-on effect of civil service salary adjustments.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 20.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)036

Question Serial No.

0679

Head: 160 Radio Television Hong Kong

Subhead(No. & title): 000 Operational Expenses

Programme:

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

- (1) Currently, how many contract staff does RTHK have?
- (2) How much are the emoluments of contract staff in 2002-03 and 2003-04 (estimate) and their percentages to total emoluments?

Asked by: Hon. LEUNG Fu-wah

Reply:

- (1) As at 1 March 2003, RTHK employed 270 contract staff.
- (2) The estimate of total emoluments paid to contract staff (including MPF contribution and contract gratuities) in 2002-03 has been revised to \$72 m, representing 23% of the total departmental emoluments during the year. The number of these staff and percentage to total emoluments in 2003-04 will be maintained at the current level. However, the emoluments to be paid to contract staff in 2003-04 will be slightly less due to the knock-on effect of civil service salary adjustments.

Name in block letters CHU Pui-hing

Post Title Director of Broadcasting

Date 20.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)037

Question Serial No.

0265

Head: 180 Television and Entertainment
Licensing Authority Subhead (No. & title):

Programme: (2) Film Services

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : What training programmes has the government provided for the development of film industry personnel in the past three years? What was the funding allocated to each programme? How many of the participants joining each training programme in a year are existing personnel of the industry and how many are newcomers? Of the newcomers, how many can successfully develop their career in the film industry afterwards? Also, please give a detailed account of the training programmes for 2003-04 and the amount of funding required.

Asked by : Hon. CHAN Kwok-keung

Reply :

The Film Development Fund (FDF) administered by the Television and Entertainment Licensing Authority (TELA) accepts applications from the film industry and related organisations to provide training for professionals in the film industry. In the past three years, i.e. 2000-01 to 2002-03, the FDF has sponsored a total of 11 training programmes, for a total of 621 participants. Of these, five programmes were organised for participants mainly from within the industry. These participants, numbered at 394, continued their career in the area of film production after completion of the programmes. The remaining six programmes, with 227 participants, mainly aimed at providing training for people with an intention to start a career in the film industry. According to the information provided by the organisers of the programmes, after completion of the courses, most of the participants began their career in film production or other related industries, or further their studies in subjects relating to film production. Details on the funding and number of participants for each programme are listed in Annex I.

Since the projects sponsored by the FDF are subject to applications received from the industry and other related organisations, the training programmes to be provided in 2003-04 and the amount of funding required will depend both on the needs of the industry and on the determination of the Projects Vetting Committee.

In addition, the Film Services Office under TELA from time to time liaises with the industry and the tertiary institutions with a view to facilitating the latter to organise relevant training programmes in response to the needs of the industry. The costs of these programmes are covered by the tertiary institutions directly from the participants. Details of the training programmes for 2000-01 to 2002-03 are provided in Annex II.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

19.3.2003

Training programmes sponsored by the Film Development Fund (2000-01 to 2002-03)

	Programme	No. of participants	Date	Funding
1.	Training Programme for Film Art-work Professionals	55 (55)	June 1999 – September 2000	\$1,046,000
2.	Film Scriptwriters' Training Programme I - Theme Development and Adaptation	20 (20)	April 2000 – December 2000	\$691,000
3.	Special Effects Operators Training Course	128	May 2000 – March 2001	\$2,000,000
4.	Film Production Workshop	40 (40)	August 2000 – January 2001	\$547,600
5.	Training Programme for Stuntmen	77 (77)	July 1999 – July 2001	\$1,176,400
6.	Richard Williams' Animation Masterclass and 2001 Hong Kong Film Technology Seminar	136 118	Richard Williams' Animation Masterclass: July 2001 2001 Hong Kong Film Technology Seminar: July 2001	\$799,600
7.	Overseas Summer Study Programme on Computer Animation and Visual Effects	8 (8)	August 2001	\$560,630
8.	Computer Animation and Special Effects Training Programme for Young Animators	24 (24)	March 2002 – August 2002	\$979,460
9.	Summer Overseas Study Programme on Digital Movie and Visual Effects Production	10 (3)	July 2002	\$738,860
10.	LAB24: An Exploration in Digital Filmmaking	4	November 2002	\$72,048
11.	New Development of Surround Sound in Cinema	1	February 2003	\$27,455

Remarks: The figure in (), provided by the organisers, refers to the number of participants who intended to start a career in the film industry.

Training Programmes co-organised by FSO and tertiary institutions (2000-01 to 2002-03)

(I) Programmes on digital technology:

	Organiser	Programme	No. of Participants	Date
1.	School of Creative Media, City U	AVID Digital Editing Workshop	2	April 2000
2.	School of Creative Media, City U	Seminar – Digital Possibilities	40	March 2000
3.	Multimedia Innovation Centre, Poly U	After Effects – Digital Editing Workshop	20	August 2000
4.	Multimedia Innovation Centre, Poly U	After Effects & PhotoShop Workshop	33	November – December 2000
5.	Multimedia Innovation Centre, Poly U	Introductory Workshop on Computer Animation	17	March – April 2001
6.	Multimedia Innovation Centre, Poly U	After Effects – Digital Editing Workshop	16	December 2001
7.	School of Continuing Studies, CUHK	Adobe Premiere 6.0 – Digital Editing Workshop	16	June 2002

(II) Other Programmes

	Organiser	Programme	No. of Participants	Date
1.	School of Creative Media, City U	“Completion Bond” – A Case Study	40	June 2000
2.	School of Creative Media, City U	“Completion Bond” – Workshop	40	June 2000

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)038

Question Serial No.

0259

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title):

Programme: (2) Film Services

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the processing of Film Development Fund applications under Programme (2), has any application been rejected in 2002? If yes, please give the names of the projects rejected and the reasons for their rejection.

Asked by : Hon. CHENG Kar-foo, Andrew

Reply :

In 2002, the Projects Vetting Committee, whose members are mainly from the film industry, examined a total of 20 applications, of which seven were rejected. The names of the projects rejected and the reasons for their rejection are as follows:

Projects proposed	Reasons for rejection
1. Training programme for actors to perform stunts	The proposed project lacks a detailed plan and the budget is not cost-effective.
2. Working Guide on the structuring of film projects	The proposed project does not suit the needs of the film industry and the budget is too big and not cost-effective.
3. Organisation of workshop on digital film making	The budget is too big and not cost-effective.
4. Establishment of studios, shooting of films, organisation of a film awards presentation ceremony and setting up of an academy on motion picture arts	The four plans put forward in the proposed project are colossal in scale but lack of concrete substance. The budget is also unpractical. Besides, the project has a profit-making dimension and repeats the work of other organisations. Hence, it does not meet the criteria for sponsorship under the Fund.
5. Organisation of seminar for film critics from the Mainland, Taiwan and Hong Kong	The proposed project is a repetition of the work of other sponsored projects. The proposed implementation period is also too long and the applicant failed to provide concrete data in support of the budget.

Projects proposed	Reasons for rejection
6. Publication of film educational series	The proposed project lacks a specific plan and clear objectives. The applicant failed to provide concrete data in support of the budget.
7. Sponsorship of a film to participate in an international film festival (Venice Film Festival)	The same film has already received sponsorship to attend another overseas film festival; the application was therefore rejected.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)039

Question Serial No.

0260

Head: 180 Television and Entertainment
Licensing Authority Subhead (No. & title):

Programme: (2) Film Services

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Regarding the number of applications processed under the Entertainment Special Effects Ordinance under Programme (2), what are the reasons for the sharp fall in licence applications in 2002?

Asked by : Hon. CHENG Kar-foo, Andrew

Reply :

The licences issued under the Entertainment Special Effects Ordinance (ESEO) are generally valid for two years. As the ESEO became effective only on 16.3.2001, all the special effects operator licences issued are due to expire after March 2003. This, together with the small number of people engaged in the special effects field, explain why a smaller number of licence applications was handled in 2002 than in 2001.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)040

Question Serial No.

1387

Head: 180 Television and Entertainment
Licensing Authority Subhead (No. & title):

Programme: (3) Film Classification and Control of Obscene and Indecent Articles

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : A comparison of the indicators under Programme (3) – Film Classification and Control of Obscene and Indecent Articles shows that the estimated workload in 2003 is more or less the same as the actual workload in 2002. In these circumstances, why is there an increase of 23.9% in the estimate? What will be the expenses used on strengthening the enforcement of the Control of Obscene and Indecent Articles Ordinance (COIAO) and organising education and publicity activities in 2003-04? Please provide programme details regarding the enforcement of the COIAO and publicity activities, together with the expenses involved.

Asked by : Hon. CHOW LIANG Shuk-ye, Selina

Reply :

The increase in the estimate for 2003-04 under this Programme is mainly due to new expenditures required for the enforcement of the COIAO, which include strengthening the enforcement of the COIAO and organising related education and publicity activities, plus the payment of gratuity to contract staff.

The estimate for the enforcement of the COIAO and organisation of education and publicity activities in 2003-04 totals at \$36 m. The enforcement of the COIAO includes inspections and monitoring of publications carried out by staff of the Television and Entertainment Licensing Authority, submitting dubious articles to the Obscene Articles Tribunal for classification and taking prosecution actions. Details of education and publicity activities, including those organised through subsidizing or collaborating with non-government organisations, are given in the Annex.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

20.3.2003

Education and publicity activities to promote the COIAO in 2003-04

	Activities	Budget
1	Talks and visits to TELA's Healthy Information Resource Centre for students, parents, teachers and social workers	\$186,300
2	Sponsoring the implementation of the Internet Content Rating System Project by the Hong Kong Internet Service Providers Association	\$1,547,700
3	Cyber conference to further promote the proper use of Internet among young people	\$431,000
4	Roving exhibitions	\$49,000
5	Subsidizing scheme to mobilise non-government organisations to organise public education and publicity activities in relation to the COIAO	\$750,000
6	Ten healthy websites contest	\$233,700
7	Production of publicity leaflets for distribution to the public	\$60,000
	Total :	around \$3,258,000

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)041

Question Serial No.

1317

Head: 180 Television and Entertainment
Licensing Authority

Subhead (No. & title): 000 Operational Expenses

Programme:

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : Please provide the number of non-civil service contract staff employed and the level of expenditure involved in 2002-03. Are there any plans to employ more or less non-civil service contract staff in 2003-04? If so, what are the reasons? And what will be the number of staff and the level of expenditure involved?

Asked by : Hon. LEE Cheuk-yan

Reply :

In 2002-03, the Television and Entertainment Licensing Authority employed a total of 62 non-civil service contract staff at an annual expenditure of \$8.40 m. As yet, there are no plans to employ more or less non-civil service contract staff in 2003-04.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)042

Question Serial No.

0541

Head: 180 Television and Entertainment
Licensing Authority Subhead (No. & title):

Programme: (1) Broadcasting Monitoring and Regulation

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In the 2003-04 financial year, has funding been provided for control and enforcement of legislation against the publication of obscene materials by electronic media and the Internet?

Asked by : Hon. LI Ka-cheung, Eric

Reply :

In the case of electronic media, if it is detected that television programme service or sound broadcasting service licensees have transmitted content of an obscene nature, TELA will take regulatory action in accordance with the statutory procedures, relevant licence conditions as well as the programme and advertising standards set out in Codes of Practices. As regards the transmission of obscene materials through the Internet, it comes under the ambit of the Control of Obscene and Indecent Articles Ordinance, which gives TELA the legal basis to exercise control. The funding required has been included in the Estimates for Broadcast Monitoring and Regulation under Programme (1) and Film Classification and Control of Obscene and Indecent Articles under Programme (3) respectively.

Name in block letters

Ms. Lorna WONG

Post Title

Commissioner for Television and
Entertainment Licensing

Date

18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)043

Question Serial No.

0050

Head: 177 Subventions:
Non-Departmental Public Bodies

Subhead (No. & title):

441 and 905
Hong Kong Productivity
Council

Programme: Subvention: Hong Kong Productivity Council

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

The Hong Kong Productivity Council (HKPC) anticipated that 27 000 people would participate in its training courses in 2003-04. Please provide:

- (a) in the form of table details of the proposed courses to be provided in 2003-04 , including their names, estimated number of participants, course fees and amount of subvention required, and whether they are already available in the market; and
- (b) HKPC's purpose for organising courses which are already available in the market.

Asked by : Hon. SIN Chung-kai

Reply :

- (a) The proposed courses to be provided by the HKPC in 2003-04 are as follows:

Number of Courses:	About 1 177
Number of Participants:	About 27 000 (23 participants per course on average)
Course Fee:	Course fees range from \$600 to \$1,800 per day (6 hours) on average (The course fees vary according to lecturer's professional qualifications, venues , provision of specific demonstrations and equipment, etc) In addition, some are free seminars provided to small and medium enterprises (SMEs).
Estimated Full-year Government Subvention:	\$ 37.21 m

More information on the estimate of courses is provided in the Annex for reference.

The above information is only a preliminary estimate of the HKPC for 2003-04. The actual number and content of courses will be decided and adjusted in accordance with the actual needs of the industries. The HKPC may also develop new training courses in the light of the needs of the innovative and growth-oriented SMEs.

SMEs are the main service target of the courses organised by the HKPC. Subvention provided by the Government is mainly used for providing support to them.

- (b) In order to enhance the productivity of Hong Kong, the HKPC has been introducing new technologies which, through development, promotion and application, are customised and intensified to fit the needs of local industries. HKPC will withdraw from the markets concerned when they are well-developed and mature in all aspects. In general, this is the principle adopted by HKPC in the organisation of courses. While the names of the courses organised by the HKPC are sometimes inevitably similar to those by other suppliers, the trainings provided by the HKPC and private sectors are quite different. HKPC's courses include experience sharing of cases of success and failure, so that the participants can have a better understanding of the new technologies and management skills. Moreover, in order that participants can master the necessary technologies, HKPC courses place emphasis on both theoretical and practical aspects, including demonstrations, application of equipment and case analysis.

Six industry work groups are being set up under the Business Development Committee (BDC) of the Council of HKPC, covering areas of SMEs, textiles and garment, environment, foundation industries, electronics industry and information technology. They will hold regular meetings with representatives from relevant industries to review HKPC's "do's and don't's". The BDC will set up guidelines to ensure that HKPC's services fulfil its roles, and that HKPC will withdraw from the market as appropriate.

Name in block letters	<u>Mrs. Sarah KWOK</u>
Post Title	<u>Acting Commissioner for Innovation and Technology</u>
Date	<u>18.3.2003</u>

Estimate of Courses to be Organised by HKPC in 2003-04

Programme Area	No. of Courses	Content of Courses	No. of Participants	Government Subvention
Manufacturing Technologies	219	<ul style="list-style-type: none"> - Innovation management (new product and service development related concepts, essential tools and models) - Technology transfer and commercialisation - Integrated productivity improvement - Parametric and Knowledge Based Sector Specific CAD/CAM Expert System - Advanced rapid prototyping technologies - Micro fabrication technologies - Advanced Plastic Processing and Plastic Machinery Performance Improvement - Advanced materials processing technology (advanced magnesium surface treatment, semi-solid die casting technology) 	7 000	\$8.89 m
Management Systems	618	<ul style="list-style-type: none"> - Knowledge management - Strategic business management and China operation workshop - Quality management system (Lean Management, Six Sigma) - Integrated enterprise development - Enterprise value management - Competency based performance management system - Customer relationship management - Best management practices and benchmarking - Business process reengineering - Balanced scorecard management 	12 200	\$16.74 m

Programme Area	No. of Courses	Content of Courses	No. of Participants	Government Subvention
		<p>system</p> <ul style="list-style-type: none"> - Innovation management (Six Thinking Hats) 		
Information Technologies	300	<ul style="list-style-type: none"> - e-logistics - Digital entertainment (computer game development and production, animation and visual effects, young animators training programme) - Mobile and wireless technologies (wireless networking technologies and related applications, data transmission, and digital data management) - Software quality management (Software Quality Assurance and Capability Maturity Model) - Information security - eManufacturing technologies, such as Enterprise Resource Planning, eSupply Chain Management - Other professional training, such as Oracle database administration authorised training programme, RedHat Linux advanced server training programme 	5 600	\$9.68 m
Environmental Technologies	40	<ul style="list-style-type: none"> - Green electronics engineering - Green label - Environmental management international standards and compliance to regulations - Indoor air quality - Waste recycling - Energy performance contracting 	2 200	\$1.9 m
Total	1 177		27 000	\$37.21 m

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)044

Question Serial No.

0069

Head: Subventions: Subhead (No. & title): 441 and 905
Non-Departmental Public Bodies Hong Kong Productivity Council

Programme: Subvention: Hong Kong Productivity Council

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : In the Information Paper (No. CB(1)426/02-03(04)) submitted to the Legislative Council by the Government, it was stated that "the Council of the Hong Kong Productivity Council (HKPC) has agreed on a programme-based funding model and will implement it in 2003/04. Under this model, HKPC will categorise its activities into four programme areas, namely manufacturing technologies, management systems, information technologies and environmental technologies".

How will HKPC allocate the funding received this year under the above model?

Asked by : Hon. SIN Chung-kai

Reply : In 2003-04, a provision of \$176.9 m will be granted to the Hong Kong Productivity Council (HKPC) to cover its operating expenses.

For greater financial accountability and strategic control, HKPC will implement a programme-based funding model in 2003-04. Under the model, HKPC will categorise its activities into four programme areas, namely manufacturing technologies, management systems, information technologies and environmental technologies. HKPC will consult the industry on the relevance and usefulness of its activities, and place emphasis on targets and outputs.

Funding allocations of HKPC under the programme-based funding model in 2003-04 are shown below:

<u>Programme areas</u>	<u>Funding amount</u>	
Manufacturing technologies	\$58.91 m	(33.3%)
Management systems	\$55.84 m	(31.6%)
Information technologies	\$45.58 m	(25.8%)
Environmental technology	\$16.55 m	(9.3%)
Total :	\$176.88 m	(100%)

Name in block letters Mrs. Sarah KWOK

Post Title Acting Commissioner for Innovation and Technology

Date 18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)045

Question Serial No.

0184

Head: 177 Subventions:
Non-Departmental Public Bodies

Subhead (No. & title): 441 and 905
Hong Kong Productivity
Council

Programme: Subvention: Hong Kong Productivity Council

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Please list out the details of assistance offered by the Hong Kong Productivity Council (HKPC) to information technology (IT) service providers in 2002-03, including the types of IT service providers being assisted, the number of cases of each type of assistance, content of assistance, size of the service providers, and how productivity of the service providers has been enhanced through HKPC's assistance.

Asked by : Hon. SIN Chung-kai

Reply :

In 2002-03, the HKPC provided support to the IT service providers in five areas including quality improvement, information security, service promotion, market intelligence as well as enterprise collaboration. Small and Medium Enterprises (SMEs) are its major service target.

Through various supporting activities, HKPC assisted IT service providers to improve their capability in managing IT projects, setting up required project standards and procedures, reviewing product qualities and providing the latest security information. HKPC also enhanced IT service providers' understanding of the latest market trends, product and service development and business prospect. It helped IT service providers keep abreast of the evolving market and open up more business opportunities.

Details of the assistance provided by HKPC in 2002-03 are as follows:

1. Quality Improvement

- Promotion of software quality – assisted the Hong Kong Information Technology Federation (HKITF) in implementing a project sponsored by the SME Development Fund to promote wider application of the Capability Maturity Model (CMM). The number of participants is about 100.
- Software quality training programme – organised 18 training courses in CMM, Software Quality Assurance Model and ISO etc. About 350 software engineers and designers were provided with training on the enhancement of software design processes.
- Project management courses – organised eight courses for software providers to improve their management in IT projects and identify opportunities in undertaking government projects. Around 120 software engineers attended the courses.
- Software quality assurance service – set up required project standards and procedures for software providers and reviewed their product qualities. Succeeded in helping two software and system providers in securing large scale projects.
- Software quality improvement consultancy service – assisted software development companies to improve their software design process with reference to internationally recognised standards, such as ISO9001 and CMM. HKPC assisted two software development companies to attain the international level of ISO9001 in 2002-03.

2. Information Security

- Hong Kong Computer Emergency Response Team Co-ordination Centre (HKCERT/CC) – provided and exchanged the latest security information with local software and internet service providers in order to upgrade the information security level in Hong Kong. Currently, HKCERT/CC has over 3000 users.
- Information Security Seminar – organised four free seminars on information security. A total of eight corporate information security providers participated in the event to promote information security and identify potential users.

3. Service promotion

- Exhibitions
 - Software Exhibition 2002 – offered assistance to SME IT service providers specialising in software development in promoting various solutions to SMEs in different sectors and identifying new customers. About 80 software developers took part in the event.
 - Information Security Showcase 2002 – promoted innovative solutions in computer security developed by about 20 SME IT service providers specialising in information security system.
 - Industrial Manufacturing Digitalisation Seminar in Shilong Town – seven Hong Kong software companies were invited to participate in the event to showcase the IT solutions developed in Hong Kong. Over 200 participants from related industries attended the seminar.
 - Pearl River Delta e-Manufacturing Seminars – promoted software applications developed in Hong Kong to in eight cities, including Dongguan, Huizhou, Zhongshan, Zhuhai, Guangzhou, Shenzhen, Shunde and Foshan. The event marked its debut in Dongguan with seven software providers participated in the exhibition. This activity assisted software providers to open up the Southern China market and market their products.
- Seminars
 - Assisted four software providers in organising 20 seminars to promote the latest wireless and manufacturing solutions for SMEs. A total of 500 participants took part in the event.
 - Workflow Solutions Symposium – participants included 10 SME IT service providers specialising in various workflow solutions ranging from knowledge management, supply chain management and customer relationship management. They joined the event to market their workflow solutions and identify potential customers.

4. Market Intelligence

- Report on the Hong Kong Software Industry Survey 2002 – about 800 local SME IT service providers specialising in software development were being surveyed. The report aimed to help the software industry keep abreast of the latest development in the local software market, including the market trends, current product and service development as well as business prospect.
- Information Security Survey 2002 – some 3 000 local SMEs from various sectors were being surveyed to evaluate the scope of computer attacks in Hong Kong and the degree of information security awareness of local companies, with a view to helping the IT service providers create business opportunities.
- E-Business Adoption Survey in Hong Kong – around 300 local SMEs from different sectors were being surveyed twice a year, with a view to providing the IT industry with a better understanding of e-business application by local enterprises, so that suitable solutions could be promoted.
 - IT Directors' Meeting – comprised of representatives from HKPC and 32 representatives appointed by trade and industry associations across different sectors, including the software and IT industries. Meetings were held on a quarterly basis to discuss matters concerning IT needs of different sectors and the promotion of IT to SMEs. Other issues discussed included introduction of latest technologies, relevant policies and support programmes. Such meetings enable the IT industry to better understand the requirements of different sectors and to develop and promote suitable IT solutions to them.

5. Enterprise Collaboration

- Hong Kong Software Industry Information Centre (SIIC) – helped SME specialising in software development keep abreast of the evolving market trend by providing them with updated market information. Members of SIIC may open up business opportunities through the marketing services provided by the Centre. They can also participate in the gatherings organised by the Centre to maintain close connection with members from other sectors and identify opportunities for co-operation. Currently, SIIC has about 200 members.
- IT Excellence Awards – assisted the Hong Kong Computer Society in organising the “IT Excellence Awards”. IT specialists from different businesses will be invited to be judges to assess participants’ capabilities and to give valuable advice. Through participating in the event, local IT service providers and IT departments of local registered companies etc. can enhance their performance and visibility.
- Implemented, on behalf of the Information and Software Industry Association Ltd. (ISIA), the project “Develop a Business Support Programme for Hong Kong Software Developers” supported by the SME Development Fund, under which HKPC is developing business guidelines to provide IT service providers with professional guidance, advice and experience sharing, quality benchmarking, operational details in various businesses as well as contact information of the related organisations in the above five areas. The project aims to enhance the business competitive edge of about 800 SME IT service providers.
- Implemented on behalf of ISIA the project “Study on SME IT Adoption in 6 Sectors” supported by the SME Development Fund, which would assist local SME IT service providers to explore new business opportunities.
- CA Expo Hong Kong 2002 – Managing eBusiness without Boundaries – liaised and assisted SME IT service providers (about 25 companies) specialising in the provision of e-commerce solutions to showcase their e-business solutions in the exhibition, with a view to facilitate business collaboration.
- Collaborated with the Guangdong Software Industry Association in organising matching sessions for Guangdong and Hong Kong IT companies – to facilitate exchanges between IT service providers from Guangdong and Hong Kong in areas of co-operation (e.g. financing, marketing and software export etc.), corporate backgrounds, products and markets as well as partnership alliance so as to encourage collaboration. Around 30 SME IT service providers engaging in software development participated in the event.
- Guangzhou Software Industry Study Mission – Two Mainland study missions were organised to enhance local IT professionals’ understanding on the facilities and policies of their mainland counterparts, with a view to facilitate a better utilisation of resources and manpower in software development in the Mainland and fostering collaboration of the two places. About 60 SME IT service providers specialising in software development joined the study mission.
 - HKPC partnered with over 20 software developers to provide services on IT applications. HKPC played the role of project management, while software solutions were provided by individual software developers.

Name in block letters _____ Mrs. Sarah KWOK

Post Title _____ Acting Commissioner for Innovation and Technology

Date _____ 18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)046

Question Serial No.

0264

Head: 177 Subventions:
Non-Departmental Public Bodies

Subhead (No. & title): 533 and 930
Hong Kong Applied
Science and Technology
Research Institute
Company Limited

Programme: Subvention: Hong Kong Applied Science and Technology Research Institute Company Limited

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Will the Government give an account of the research projects conducted by the Hong Kong Jockey Club Institute of Chinese Medicine Limited (HKJCICM) in 2002-03 and the resources committed? What are the research programmes in 2003-04 and the resource requirements? How will the effectiveness of individual research projects be evaluated?

Asked by : Hon. CHAN Kwok-keung

Reply :

In 2002-03, HKJCICM has set its research and development (R&D) directions to steer Chinese medicine development embracing standardisation, technology and product development, safety appraisal and evidence-based clinical studies. Under these development directions, HKJCICM has launched three R&D projects in 2002-03. These three projects aim at conducting scientific researches for certain types of Chinese medicine and validating their efficacy in health promotion and treatment. The expenses of the projects, which amount to some \$22 m, will be covered by the HK\$500 m donation from the Hong Kong Jockey Club.

In 2003-04, HKJCICM will continue to identify suitable projects that meet its R&D directions in order to promote the development of Chinese medicine. Hence, we are unable to project the resource requirements of the R&D programmes at this stage.

HKJCICM has a mechanism on reviewing and monitoring its R&D projects. All the fund recipient organisations have to submit half-yearly progress reports to HKJCICM according to the stated schedule and milestones set out in the project agreement until project completion or termination of the project agreement. HKJCICM also conducts site visits and progress review meetings, and assesses the progress and effectiveness of the projects by comparing the project results against the deliverables as set out in the project agreements.

Name in block letters Mrs. Sarah KWOK

Post Title Acting Commissioner for Innovation and Technology

Date 18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)047

Question Serial No.

0542

Head: 177 Subventions:
Non-Departmental Public Bodies

Subhead (No. & title): 533 and 930
Hong Kong Applied
Science and Technology
Research Institute
Company Limited

Programme: Subvention: Hong Kong Applied Science and Technology Research Institute Company Limited

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Please list out the research projects to be jointly developed by the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) and universities in the fiscal year 2003-04, and their respective expenditures.

Asked by : Hon. LI Ka-cheung, Eric

Reply :

In 2003-04, the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) will continue to collaborate with the Hong Kong University of Science and Technology (HKUST) and the Hong Kong Polytechnic University (PolyU) to further develop and upgrade the functions, effects and technological level of the project "Interactive Learning of Spoken English on Internet". A relevant proposal formulated by ASTRI will be submitted to the Board of Directors for approval and used for applying for funds under the Innovation and Technology Fund (ITF). Therefore, we do not have the estimated expenditure of projects in hand at this stage.

Besides, in 2003-04, ASTRI will continue to lease devices and facilities from university laboratories, such as the Microelectronics Fabrication Facility and the Electronic Packaging Laboratory of the HKUST, the Industrial Centre of the PolyU, and the Photonic Packaging Laboratory and the Advanced Surface and Materials Analysis Centre of the Chinese University of Hong Kong etc, in order to conduct relevant research activities. The estimated cost is \$200,000.

Name in block letters Mrs. Sarah KWOK

Post Title Acting Commissioner for Innovation and Technology

Date 18.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(ITB)048

Question Serial No.

0185

Head: 177 Subventions :
Non-Departmental Public Bodies

Subhead (No. & title): 533 and 930
Hong Kong Applied
Science and Technology
Research Institute
Company Limited

Programme: Subvention: Hong Kong Applied Science and Technology Research Institute Company Limited

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Regarding the Applied Science and Technology Research Institute (ASTRI),

- (a) how many research and development (R&D) staff does it intend to recruit in 2003-04? What will be their main research areas? What will be the expected total salary costs for those new recruits?
- (b) please list out the research projects initiated/to be carried out in 2001-02, 2002-03 and 2003-04? What are the research areas concerned and the funding requirement of each project?
- (c) what are the actual and estimated amounts of subvention it provided/provides for the recurrent operation costs of the Hong Kong Jockey Club Institute of Chinese Medicine (HKJCICM) for the year 2002-03 and 2003-04 respectively? What is the difference in subvention for the two fiscal years and the reason for that?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) In 2003-04, the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) intends to create 18 posts for the recruitment of research staff who would assist in developing projects in the research areas of photonic technologies, Internet software, wireless communications, integrated circuit design and biotechnology. The expected total salary costs for the newly created posts is about \$16.50 m which will be funded by recurrent subvention.

For the course of initiating new research projects, ASTRI will recruit additional research staff once the project proposals are approved by its Board of Directors and funding are received from the Innovation and Technology Fund (ITF) for the implementation of the projects. The salary costs of the additional staff will be funded by the ITF.

- (b) ASTRI initiated three and four research and development (R&D) projects in 2001-02 and 2002-03 respectively. Details are as follows:

<u>Starting Year</u>	<u>Research Area</u>	<u>Research Project</u>	<u>ITF Funding</u>
2001-02	Internet software	Interactive Technology for Online Learning of Spoken English	\$4.78 m
	Photonic technologies	Silicon Optical Bench Technologies	\$13.25 m
		R&D of Glass and Polymer Technology for Optical Subassembly	\$13.61 m
2002-03	Photonic technologies	Pilot Line for Photonic Packaging	\$14.85 m
	Wireless communications	Smart Radio Frequency (RF) Network Technologies	\$14.63 m
		Enterprise Mobility Exchange Server	\$13.99 m
		Wireless Intelligent Service Exchange	\$13.65 m
Total:			\$88.76 m

ASTRI intends to initiate six research projects in 2003-04. Two of them are projects on integrated circuited design whereas one project would also be launched for each of the following research areas respectively: photonic technologies, Internet software, wireless communications and biotechnology. ASTRI will draw up proposals for the six new projects and then submit them to its Board of Directors for approval and apply for ITF funds. Hence, the estimated expenditures for individual projects are not available at this stage.

- (c) In 2002-03, an estimated amount of \$5.8 m is provided by ASTRI for meeting the recurrent operation costs of the Hong Kong Jockey Club Institute of Chinese Medicine (HKJCICM).

In 2003-04, ASTRI's estimated recurrent subvention provided for HKJCICM will be \$7.6 m, which is \$1.8 m higher than that in 2002-03. This is mainly due to the creation of three posts for the management of new projects to be carried out according to the formulated R&D strategies.

Name in block letters Mrs. Sarah KWOK

Post Title Acting Commissioner for Innovation and Technology

Date 18.3.2003