Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2004-05

Director of Bureau : Secretary for Commerce, Industry and Technology
Session No. :11
File name : CITB(CT)-e1.doc

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
CITB(CT)001	0536	CHAN Kwok-keung	55	Information Technology
CITB(CT)002	1678	CHOW LIANG Shuk-yee, Selina	55	Information Technology
CITB(CT)003	0078	HO Sau-lan, Cyd	55 155 47	Broadcasting and Film Services Information Technology Telecommunications
CITB(CT)004	0902	LEE Chu-ming, Martin	55	Broadcasting and Film Services Information Technology Telecommunications
CITB(CT)005	0216	SIN Chung-kai	55	Broadcasting and Film Services
CITB(CT)006	0217	SIN Chung-kai	55	Information Technology
CITB(CT)007	0218	SIN Chung-kai	55	Information Technology
CITB(CT)008	0219	SIN Chung-kai	55	Information Technology
CITB(CT)009	0220	SIN Chung-kai	55	Information Technology
CITB(CT)010	0221	SIN Chung-kai	55	Information Technology
CITB(CT)011	0222	SIN Chung-kai	55	Information Technology
CITB(CT)012	0223	SIN Chung-kai	55	Telecommunications
CITB(CT)013	0839	SIN Chung-kai	55	Operational Expenses
CITB(CT)014	0841	SIN Chung-kai	55	Operational Expenses
CITB(CT)015	1288	SIN Chung-kai	55	Operational Expenses
CITB(CT)016	0324	CHAN Kwok-keung	155	Infrastructural Support
CITB(CT)017	0325	CHAN Kwok-keung	155	Infrastructural Support
CITB(CT)018	0532	CHAN Kwok-keung	155	Planning for Innovation and Technology Development
CITB(CT)019	0404	CHAN Yuen-han	155	Promotion of Technological Entrepreneurship
CITB(CT)020	0405	CHAN Yuen-han	155	Promotion of Technological Entrepreneurship
CITB(CT)021	0406	CHAN Yuen-han	155	Infrastructural Support
CITB(CT)022	0407	CHAN Yuen-han	155	Infrastructural Support
CITB(CT)023	1756	CHAN Yuen-han	155	Subvention: Hong Kong Productivity Council, Hong Kong Applied Science and Technology Research Institute Company Limited
CITB(CT)024	1757	CHAN Yuen-han	155	Subvention: Hong Kong Productivity Council, Hong Kong Applied Science and Technology Research Institute Company Limited
CITB(CT)025	1130	LAU Wai-hing, Emily	155	Subvention: Hong Kong Productivity Council, Hong

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
				Kong Applied Science and Technology Research Institute Company Limited
CITB(CT)026	0996	LEUNG LAU Yau-fun, Sophie	155	Subvention: Hong Kong Productivity Council, Hong Kong Applied Science and Technology Research Institute Company Limited
CITB(CT)027	1573	MA Fung-kwok	155	Planning for Innovation and Technology Development
CITB(CT)028	0279	NG Leung-sing	155	Support for Research and Development
CITB(CT)029	0280	NG Leung-sing	155	Support for Research and Development
CITB(CT)030	0689	SHEK Lai-him, Abraham	155	Infrastructural Support
CITB(CT)031	0225	SIN Chung-kai	155	Support for Research and Development
CITB(CT)032	0226	SIN Chung-kai	155	Promotion of Technological Entrepreneurship
CITB(CT)033	0227	SIN Chung-kai	155	Planning for Innovation and Technology Development
CITB(CT)034	0228	SIN Chung-kai	155	Subvention: Hong Kong Productivity Council, Hong Kong Applied Science and Technology Research Institute Company Limited
CITB(CT)035	0229	SIN Chung-kai	155	Subvention: Hong Kong Productivity Council, Hong Kong Applied Science and Technology Research Institute Company Limited
CITB(CT)036	0992	TING Woo-shou, Kenneth	155	Support for Research and Development
CITB(CT)037	0993	TING Woo-shou, Kenneth	155	Support for Research and Development
CITB(CT)038	0780	YEUNG Sum	155	Planning for Innovation and Technology Development
CITB(CT)039	1285	SIN Chung-kai	111	Innovation and Technology Fund
CITB(CT)040	1115	CHAN Kwok-keung	47	IT Infrastructure and Standards
CITB(CT)041	1116	CHAN Kwok-keung	47	IT Infrastructure and Standards
CITB(CT)042	0877	CHU Yu-lin, David	47	Use of Information Technology (IT) in Government
CITB(CT)043	0878	CHU Yu-lin, David	47	Use of Information Technology (IT) in Government
CITB(CT)044	0879	CHU Yu-lin, David	47	IT in the Community
CITB(CT)045	0962	LEE Cheuk-yan	47	Operational Expenses
CITB(CT)046	0732	LI Ka-cheung, Eric	47	Use of Information Technology (IT) in Government IT Infrastructure and Standards

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
				IT in the Community
CITB(CT)047	0764	LI Ka-cheung, Eric	47	IT in the Community
CITB(CT)048	1576	SIN Chung-kai	47	Use of Information Technology (IT) in Government
CITB(CT)049	1577	SIN Chung-kai	47	Use of Information Technology (IT) in Government
CITB(CT)050	1578	SIN Chung-kai	47	Use of Information Technology (IT) in Government
CITB(CT)051	1579	SIN Chung-kai	47	IT Infrastructure and Standards
CITB(CT)052	1580	SIN Chung-kai	47	IT in the Community
CITB(CT)053	0243	YOUNG Howard	47	Use of Information Technology (IT) in Government
CITB(CT)054	0244	YOUNG Howard	47	IT in the Community
CITB(CT)055	0245	YOUNG Howard	47	Operational Expenses
CITB(CT)056	0927	CHENG Kar-foo, Andrew	160	Radio Public Affairs Television New Media
CITB(CT)057	0928	CHENG Kar-foo, Andrew	160	Radio Public Affairs Television New Media
CITB(CT)058	0929	CHENG Kar-foo, Andrew	160	Radio Public Affairs Television New Media
CITB(CT)059	0930	CHENG Kar-foo, Andrew	160	Radio Public Affairs Television New Media
CITB(CT)060	0100	LAU Wai-hing, Emily	160	Public Affairs Television
CITB(CT)061	0101	LAU Wai-hing, Emily	160	Public Affairs Television
CITB(CT)062	0106	LAU Wai-hing, Emily	160	Radio
CITB(CT)063	0271	NG Leung-sing	160	Operational Expenses
CITB(CT)064	0272	NG Leung-sing	160	Radio
CITB(CT)065	0273	NG Leung-sing	160	Radio
CITB(CT)066	0274	NG Leung-sing	160	Radio
CITB(CT)067	0533	CHAN Kwok-keung	180	Film Services
CITB(CT)068	0534	CHAN Kwok-keung	180	Film Services
CITB(CT)069	0535	CHAN Kwok-keung	180	Film Services
CITB(CT)070	0931	CHENG Kar-foo, Andrew	180	Film Services
CITB(CT)071	1021	CHOW LIANG Shuk-yee, Selina	180	Film Services
CITB(CT)072	0770	LI Ka-cheung, Eric	180	Broadcast Monitoring and Regulation
CITB(CT)073	1569	MA Fung-kwok	180	Film Services

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

Programme: (2) Information Technology

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Due to the effect of the increased requirement for the Electronic Service Delivery scheme, provision for 2004-05 has to be increased by 3.7%. What services will be launched under the scheme? What are the respective expenditures for such services? Among the expenditures, how many are recurrent expenditure items? How many are non-recurrent expenditure items?

Asked by :   Hon. CHAN Kwok-keung

Reply :

The 2004-05 provision of $39.981 million for the ESD Scheme is all recurrent expenditure. The increased requirement for the Scheme in 2004-05 is for settling the increase in financial charges resulting from the increase in the number of transactions conducted by the public over the ESD system. The number of ESD transactions conducted in 2003/04 is expected to be 50% higher than those conducted in 2002/03. We expect the utilization of ESD services will increase in 2004/05, both in respect of existing and new services, and hence a higher provision is required.

In 2004-05, an online property stamping service will be introduced through the ESD Scheme. With this, the submission of stamping applications to the Inland Revenue Department (IRD), settlement of stamp duty and acquisition of stamp certificates in respect of property transfers and leases can all be done online. The estimated non-recurrent expenditure of $9.85 million (which includes the cost for replacing the backend computer systems to streamline and automate the process for stamping instruments relating to property transfers and leases) is funded through a block allocation under Capital Works Reserve Fund Head 710 Computerisation - Subhead A007GX New Administrative Computer Systems. We are also exploring the introduction of new ESD services and the extension of existing ones such as the common change of address to cover more departments, in 2004/05.

Name in block letters   Francis Ho

Post Title   Permanent Secretary for Commerce, Industry and Technology
(Communications and Technology)

Date   22.3.2004

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

Programme: (2) Information Technology

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Matters requiring special attention in 2004-05 include "considering the case for merging ITSD into the Communications and Technology Branch". How much resource can be saved as a result of the proposed merger? Is there any timetable for the "merger"?

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

Reply :

The main objective of the proposed merger of the Information Technology Services Department (ITSD) with the Communications and Technology Branch (CTB) is to put in place an integrated, coordinated institution within the Government to formulate IT policies and deliver the IT function in a more effective manner, including the e-government programme, promoting the development of innovative applications and services, supporting the IT industry, and promoting IT adoption in the business sector and the general community. Although the proposed merger is not primarily aimed at achieving savings, we expect that there will be some savings arising from rationalization and removal of overlap in the work of CTB and ITSD. The exact amount of savings can only be ascertained when the structure of the merged organisation has been finalised.

Our tentative plan is to effect the merger on 1 July 2004. Before that, we will consult the relevant Panel of the Legislative Council and seek the approval of the Finance Committee.

Name in block letters   Francis Ho

         Post Title   Permanent Secretary for Commerce, Industry
                                    and Technology
                            (Communications and Technology)

         Date   22.3.2004

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

  155 - Government Secretariat:
Innovation and Technology Commission

  47- Information Technology Services
Department

Programme: (1) Broadcasting and Film Services
                (2) Information Technology
                (3) Telecommunications

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

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 2003-04:

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 (if available)	Whether study reports completed are publicized; if yes, their channels and if not, the reasons.

(2) Has financial provision been allocated for commissioning consultancy studies in 2004-05? If yes, please provide the following details :

Name of consultants (if available)	Description	Consultancy Fees ($)	Progress on consultancy studies (planning/ in progress/ completed)	Whether study reports scheduled for completion in 2004-05 will be publicized; if yes, their channels and if not, the reasons.

Asked by :   Hon. HO Sau-lan, Cyd

<u>Reply</u> :

(1) The consultancy studies for which financial provision has been allocated in 2003-04 in the respective expenditure heads are detailed as follows :-

Head 55 – Government Secretariat : Commerce, Industry and Technology Bureau (Communications and Technology 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 (if available)	Whether study reports completed are publicized; if yes, their channels and if not, the reasons.
PA Consulting Group	To provide professional advice to the Government on what changes should be made to the existing broadcasting regulatory regime so as to ensure that the existing regulatory regime can continue to facilitate convergence and encourage innovation and investment in the era of convergence, with a view to increasing choice for the public.	1,175,000	Completed	The consultancy study is part of an overall review of the broadcasting regulatory regime. We plan to consult the public on the findings of the review in 2004.	The consultancy study report will be published together with the consultation paper.
PA Consulting Group Limited	Future Delivery of E-government Services	1,259,398	Completed	Working together with relevant departments to delineate the detailed arrangements for taking forward the recommendations and to progressively improve the delivery of e-government services.	Already incorporated the relevant recommendations into the 2004 Digital 21 IT Strategy and briefed the LegCo Panel on Information Technology and Broadcasting in January 2004.

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 (if available)	Whether study reports completed are publicized; if yes, their channels and if not, the reasons.
AC Nielsen	Conduct a survey on funding schemes under the Innovation and Technology Fund (ITF) by collecting opinions from industries and applicants, with a view to evaluating the operation of ITF and its impact on technology development	198,000	Completed	The Innovation and Technology Commission (ITC) is considering the consultancy report to evaluate the effectiveness of ITF.	ITC will submit progress reports on ITF and report on the findings of the study to the relevant LegCo Panel regularly.
Not available	Conduct studies on Hong Kong-Mainland technological collaboration	2,000,000	Planning	N/A	N/A
Not available	Conduct studies on further development of biotechnology in Hong Kong	500,000	Planning	N/A	N/A

(2) Details of the provision allocated for commissioning consultancy studies in 2004-05 are as follows:

Head 55 – Government Secretariat : Commerce, Industry and Technology Bureau (Communications and Technology Branch)

Name of consultants (if available)	Description	Consultancy Fees ($)	Progress on consultancy studies (planning/ in progress/ completed)	Whether study reports scheduled for completion in 2004-05 will be publicized; if yes, their channels and if not, the reasons.
Not Available	Formulate customer relations management policies and guidelines for e-government	$1 to $2 million	Planning	Will brief the LegCo Panel on Information Technology and Broadcasting
Not Available	Formulate channel management policies and framework for e-government	$1 to $2 million	Planning	Will brief the LegCo Panel on Information Technology and Broadcasting

Head 155 – Government Secretariat : Innovation and Technology Commission

Name of consultants (if available)	Description	Consultancy Fees ($)	Progress on consultancy studies (planning/ in progress/ completed)	Whether study reports scheduled for completion in 2004-05 will be publicized; if yes, their channels and if not, the reasons.
Not available	Conduct respective impact studies on different types of Innovation and Technology Fund projects	1,000,000	Planning (expected to be completed in 2004-05)	ITC will submit progress reports on ITF and report on the findings of the studies to the relevant LegCo Panel regularly.
Not available	Conduct studies on Hong Kong-Mainland technological collaboration	2,880,000	Planning	N/A
Not available	Conduct studies on further development of biotechnology in Hong Kong	800,000	Planning	N/A

No provision has been allocated for Head: 47 ITSD for commissioning consultancy studies in 2003-04 and 2004-05.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	26.3.2004

CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

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

Programme: (1) Broadcasting and Film Services
                (2) Information Technology
                (3) Telecommunications

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

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

Regarding policy research projects and the expenditure involved, please provide detailed information on the policy research projects commenced or being conducted by the Commerce, Industry and Technology Bureau itself or with the funding of the Bureau in 2003-04, including
(1) project title, objective and subject matter;
(2) expenses;
(3) latest progress;
(4) whether the Administration has followed up on the research results.

Also, is there any provision earmarked for policy research in 2004-05? If yes, what is the amount? What are the objectives and subject matters of the respective projects?

Asked by: Hon. LEE Chu-ming, Martin

Reply:

Details of the policy research projects commenced or being conducted in 2003-04 are as follows:

Title	Objective	Subject Matter	Expenses ($)	Progress	Any follow-up?
Consultancy study on the impact of convergence and digitisation on the broadcasting regulatory regime in Hong Kong	To study the impact of convergence and digitisation on the broadcasting regulatory regime in Hong Kong	To provide professional advice to the Government on what changes should be made to the existing broadcasting regulatory regime so as to ensure that the existing regulatory regime can continue to facilitate convergence and encourage innovation and investment in the era of convergence,	1,175,000	Completed	The consultancy study is part of an overall review of the broadcasting regulatory regime. We plan to consult the public on the findings of the review in 2004.

Title	Objective	Subject Matter	Expenses ($)	Progress	Any follow-up?
		with a view to increasing choice for the public			
Future Delivery of E-government Services	To advise the Government on the future strategy for the delivery of e-government services	To recommend the most appropriate way to deliver e-government services in Hong Kong in the next three to five years	1,259,398	Completed	The Branch is working with the relevant departments on the detailed arrangements for taking forward the recommendations and to progressively improve the delivery of e-government services.

No financial provision has been earmarked in 2004-05 for policy research projects.

Name in block letters   Francis Ho

Post Title   Permanent Secretary for Commerce, Industry and Technology
(Communications and Technology)

Date   24.3.2004

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

Programme: (1) Broadcasting and Film Services

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding "the transition from analogue to digital terrestrial television broadcasting", what are the respective roles played by the Government and the two free television programme service licensees? What are the differences in the scopes of work to be undertaken by the Government and the licensees? How many resources would the Government deploy for the purpose?

Asked by :   Hon. SIN Chung-kai

Reply :

Before and at the initial stage of the development of digital terrestrial television, the Government mainly plays the role of frequency planning and coordination, and formulation of the licensing and regulatory framework for multiplexes. At the later stage, the Government will formulate plans on the switch-off of analogue terrestrial television broadcasting and the use of the frequency spectrum thus released. The Government will direct appropriate resources to the above initiatives at different stages to ensure a conducive environment for businesses and innovation, enabling the public to enjoy better and innovative services.

As for the two free terrestrial television broadcasters, according to their licensing conditions, they are required to simulcast the existing four free programme service channels in analogue and digital format upon receiving an 18-month advance notice given by the Secretary for Commerce, Industry and Technology. As to whether the two broadcasters are to launch other new services, such as high-definition television broadcasting, interactive television and data services, and how many resources they will deploy for the whole transition exercise, these are purely the broadcasters' commercial decision. The Government will work closely with the two broadcasters to ensure the successful implementation of the simulcast and a smooth transition to digital terrestrial television broadcasting.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	22.3.2004

Examination of Estimates of Expenditure 2004-05
CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

Reply Serial No.

CITB(CT)006

Question Serial No.

0217

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

Programme: (2) Information Technology

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding the "joined-up projects across bureaux and departments",

(a)   how many projects are involved? What are their details?
(b)   what are the respective estimated expenditures for these projects? Which projects will be outsourced to private contractors? Which projects will be undertaken in-house?

Asked by :   Hon. SIN Chung-kai

Reply :

The relevant information on the joined-up projects being developed in 2004-05 is detailed in the following table:

Project	Description	Estimated Expenditure	To be outsourced to private contractors or undertaken in-house?
Integrated Criminal Justice Processes	To enhance the efficiency and accuracy of information exchange between departments and agencies in arrest process tracking, case result dissemination and warrant tracking.	Not yet available. A consultancy study is underway.	To be outsourced.

Project	Description	Estimated Expenditure	To be outsourced to private contractors or undertaken in-house?
Property Information Hub	To set up a government portal providing one-stop online access to property related information maintained by the Rating & Valuation Department and the Lands Registry for estate agents, surveyors, solicitors, and the general public.	Not yet available. The project is still at planning stage.	To be outsourced.
Common Look and Feel website design	To progressively roll out a Common Look and Feel website design to all bureaux and departments to build up a consistent online brand image for government websites and improve the navigability, usability and accessibility of these web sites for local and overseas web surfers.	The bureaux and departments will adopt the Common Look and Feel design as part of their normal website revamping exercise. No additional costs are expected.	To be outsourced.
Accessibility Programme	To extend the Pilot Accessibility Programme to provide shared IT facilities to all civil servants who currently do not have access to such facilities and to make available access to a series of G2G and G2E services (including e-Leave, e-Payslip, e-Payroll, e-Pension etc.). Through the programme, the Government aims to provide an e-enabled environment for civil servants to conduct internal business electronically. This will help promote an e-culture among civil servants and accelerate the development of e-government.	Not yet available. The plan to roll out to all bureaux and departments in one to three years' time is being drawn up.	To be outsourced.

The Commerce, Industry and Technology Bureau will continue to explore new joined-up opportunities as well as looking to enhance existing joined up initiatives (e.g. smart ID card, Business Entry Portal and common change of address) with the Information Technology Services Department and other bureaux and departments in 2004-05 and beyond.

Name in block letters   Francis Ho

Post Title   Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)

Date   22.3.2004

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

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

Programme: (2) Information Technology

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding "launching sector-specific programmes to encourage the private sector, especially SMEs, to adopt e-business",

(a) for which sectors will the Government launch the programmes? What are their respective priorities and the implementation timetables?

(b) what are the details of the respective programmes? How long will the implementation period be?

(c) will relevant trade associations/industry bodies and IT industry support organisations be invited to take part in the formulation of the programmes?

(d) what are the respective estimated expenditures for these programmes?

Asked by :   Hon. SIN Chung-kai

Reply :

(a) The Government is working in collaboration with the relevant trade association and IT industry body to assist and encourage the travel industry to adopt IT and e-business. The Government is also considering launching similar programmes for private medical practitioners and other industries.

(b) The IT promotion programme for the travel industry commenced in January 2004 and will end in January 2005. The programme includes updating and improving the website of the Travel Industry Council of Hong Kong, and organising thematic seminars to encourage the wider adoption of IT by the travel industry. The programme will also provide IT consultancy service to 50 to 100 small and medium-sized travel agents in order to find out their readiness to migrate to the electronic mode and their needs, and to provide them with the necessary reference materials. Moreover, a report on the adoption of IT by the small and medium-sized travel agents will be compiled on the basis of the consultancy services provided and interviews with relevant parties in

the industry, so as to facilitate the industry to formulate strategies for adopting IT. Details of the promotion programmes for the other industries have yet to be confirmed.

(c) We have been working closely with the Hong Kong Information Technology Federation and the Travel Industry Council of Hong Kong to formulate and implement the IT promotion programme for the travel industry. We are also exploring with private medical practitioners and IT industry bodies the feasibility of launching similar programmes and initiatives for the former.

(d) The estimated expenditure for the IT promotion programme for the travel industry is about $470,000 and was funded by the Government.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	22.3.2004

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

Programme: (2) Information Technology

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding "collaborating with industry support organisations and IT industry bodies to organise programmes to help the local IT industry expand business opportunities in external markets, in particular the Mainland",

(a) how many programmes will be jointly organised by the Government and the relevant bodies in? 2004-05? How will the work be divided between the Government and the other co-organisers? What are their respective roles? What are the respective shares of the costs to be borne by them?

(b) what are the details of the programmes? Which areas of business in the IT industry will be involved?

(c) other than targeting the Mainland market, in which external markets will the programmes help the local IT industry expand business opportunities?

(d) how long will the aforesaid programmes be implemented? What are the respective estimated expenditures so involved? How many local IT enterprises are expected to benefit? Among the beneficiaries, how many are small and medium-sized enterprises?

Asked by :   Hon. SIN Chung-kai

Reply :

In 2004-05, the Government will organise various programmes, in collaboration with industry support organisations and IT industry bodies, to help the local IT industry expand business opportunities in external markets, in particular the Mainland. Details of the programmes are as follows.

1. The Information Technology Services Department (ITSD) and the Hong Kong Trade Development Council (TDC) will jointly organise the International ICT Expo, which is to take place from 14.4.2004 to 17.4.2004. The Expo aims to provide an international platform to help IT enterprises from around the world to promote their products and services, expand their business network and seek business partners. Participants will include government representatives and industry players from many different places both in the Mainland and overseas. The Expo will feature an exhibition of IT products and services, international conferences, thematic seminars and trade matching activities. A number of themed zones will be featured at the Expo, namely telecommunications services, mobile & wireless technologies, digital entertainment, digital imaging, enterprise solutions, home-grown technologies, e-logistics & retail technologies, Linux applications, hall of innovations, e-learning and information security. The Expo will be organised by TDC, with ITSD being the organiser of an e-government exhibition. Apart from an

exhibition to show the e-government services provided by the Government, local IT enterprises engaged in developing the e-government system and services for the Government would also showcase their products and services to buyers from around the world. A total of 32 local IT enterprises will participate as exhibitors at the e-government exhibition, of which 19 are small and medium-sized enterprises (SMEs). The Government will also provide funding support for TDC to set up two themed zones, namely mobile & wireless technologies and information security. At the mobile & wireless technologies themed zone, a total of 22 local enterprises, of which 20 are SMEs, will participate as exhibitors. While at the information security themed zone, a total of 15 companies, most of them being SMEs, are expected to participate as exhibitors. The total expenditure incurred by the Commerce, Industry and Technology Bureau (CITB) and ITSD on the above programmes is estimated to be $2.27m.

2. CITB and the Guangdong Provincial Information Industry Department will take turns to organise the "Pearl River Delta Software Industry Forum" so as to provide an opportunity for Guangdong and Hong Kong software enterprises to share their experiences, expand their business network and explore cooperation in market exploration. The first forum will be held in Hong Kong on 15.4.2004. The Hong Kong side will undertake preparation work for the forum and the estimated expenditure so involved is $140,000. Some 150 Guangdong and Hong Kong IT enterprises are expected to participate in the forum and most of them are SMEs. The Guangdong side will hold the next forum in Guangzhou in October this year.

3. In collaboration with China's Ministry of Commerce, CITB will organise a seminar on e-business on 16.4.2004 in Hong Kong. The seminar is a programme of cooperation on the promotion of e-business organised by the Mainland and Hong Kong governments under the Mainland and Hong Kong Closer Economic Partnership Arrangement. Through enhancing enterprise awareness of e-business, the seminar aims to encourage the wider adoption of e-business by enterprises to increase their operational efficiency and productivity, and create more business opportunities for the IT industry. TDC will undertake the actual preparation work for the seminar and bear the expenses so incurred. 150 Mainland and local enterprises engaged in e-business and IT are expected to participate in the seminar and most of them are SMEs.

4. The Government and TDC will help the IT industry bodies to organise a series of international events in Hong Kong in December 2004. These events include Asia Pacific ICT Awards, Hong Kong International Computer Conference, exhibitions and trade matching activities. Details of such events have yet to be confirmed.

5. The Government will consider organising more activities with the 12 countries (i.e., Canada, Finland, France, Germany, India, Ireland, Israel, Italy, the Netherlands, South Korea, the United Kingdom and Japan) with which we have signed Memorandums of Understanding or agreements on ICT cooperation in order to help the local industry to explore overseas market.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	23.3.2004

CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

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

Programme: (2) Information Technology

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding "following up on the recommendations made by the Working Group on Digital Entertainment established under the auspices of the Information Infrastructure Advisory Committee", please provide the timetable for the follow-up work, their respective priorities and the respective expenditures so involved.

Asked by :   Hon. SIN Chung-kai

Reply :

The Working Group on Digital Entertainment, established under the auspices of the Information Infrastructure Advisory Committee, published its report in September 2003. The Working Group recommends that the Government, digital entertainment industry and local academic institutions should work closely to implement a series of measures to strengthen the local digital entertainment industry in the areas of infrastructure, human capital, intellectual property rights, research and development, and marketing and promotion.

Some of the new measures recommended by the Working Group have already been implemented in a timely manner. On infrastructure, for example, the Hong Kong Wireless Development Centre at the Cyberport was opened in December 2003 while the Digital Media Centre is scheduled for full operation on 29 March 2004. On human capital, we have made arrangements for 14 digital entertainment students to work in digital entertainment companies in England and India from January to February 2004, so as to widen their exposure and perspective. The total expenditure involved was $650,000. We have also provided funding support of $500,000 for the 2nd Hong Kong Digital Entertainment Excellence Awards, with the addition of the "Open Category" and "Outstanding Performance Awards for Students".   To encourage research and development on digital entertainment, the Innovation and Technology Fund issued a solicitation theme on "media technologies for digital entertainment" in September 2003 to invite applications for conducting research and development on digital entertainment. Seven applications involving a total of $16.8 million have been approved. On marketing and promotion, we will continue to organise trade missions to participate in relevant international trade shows, including the E3 to be held in Los

Angeles in the U.S. in May 2004 and the China Digital Entertainment Expo & Conference held earlier. The total expenditure involved was about $1 million. To encourage cross-media cooperation, we provided funding support of $570,000 for the Symposium on Cross-media and Cross-business Development of Hong Kong Film Industry held in September 2003.

On the basis of the strategies and recommendations put forward by the Working Group, we will continue to work closely with the industry and academia to launch more timely measures to drive and support the further development of the digital entertainment industry in Hong Kong.

Name in block letters   Francis Ho

Post Title   Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)

Date   22.3.2004

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

Programme: (2) Information Technology

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding "marketing the Cyberport proactively overseas and in the Mainland",

a. how many marketing programmes are expected to be carried out in 2004-05? Among them, how many are new initiatives?

b. What are the details of such marketing programmes?

c. which overseas markets and which areas in the Mainland will the programme target?

d. What are the respective estimated expenditures so involved?

Asked by :   Hon. SIN Chung-kai

Reply :

a. In 2004-05, the Cyberport will adopt the following marketing strategies:

(i)   to promote the Cyberport as a window for overseas information technology (IT) companies to gain access to the Mainland market and for Mainland companies to enter the international market by targeting major markets, both in the Mainland and overseas;

(ii)   to organise thematic conferences and seminars to promote the Cyberport as an important centre of IT, wireless communications and multimedia content creation in the region; and

(iii)   to promote proactively the world-class convention and exhibition facilities at the Cyberport to attract the staging of international and regional financial and IT conferences in the Cyberport.

The marketing programme includes 10 major types of promotion activities, of which 8 are new initiatives.

b. Details of the 10 major promotion activities are as follows:

(i)   Digital Entertainment Leadership Forum (April) – renowned experts in computer animation, special effects and the game industry from Hollywood and Hong Kong will be invited as guest speakers at the forum. They will share their experience with the local industry and analyse the latest trends in the development of digital entertainment.

(ii) Venture Capitalist Forum (the 3rd quarter of 2004) – renowed venture capitalists will be invited as speakers. They will introduce venture capital to the local small and medium-sized enterprises in the IT and digital entertainment industries and provide them with professional advice.

(iii) co-organise thematic seminars to promote innovative wireless communications technology and applications (dates to be fixed).

(iv) overseas promotion programmes (May, September, February 2005) – to promote the Cyberport in target cities through overseas consultants who will also look for suitable overseas companies to be Cyberport tenants.

(v) Global ICT Summit (May) – a one-week international summit conference to be held at the Cyberport. The event will attract world-class electronic content creators to Hong Kong.

(vi) International ICT Week (December) – the Cyberport will provide venue for this large-scale IT event.

(vii) Forbes CEO Conference (September) – 300 leading CEOs from all over the world will be invited to attend dinner gatherings and related functions at the Cyberport.

(viii) Media Exchange (September/October) – to invite internationally renowned television programmes to be broadcast live at the Cyberport.

(ix) participate in joint overseas promotion activities organised by the Invest Hong Kong, Hong Kong Trade Development Council and Hong Kong Tourism Board.

(x) update the local public and the overseas communities on the latest developments of the Cyberport through regular media briefings.

Items (i) to (viii) above are new measures to be launched in 2004-05.

c. In the coming year, Cyberport will focus its overseas promotion efforts on a number of potential markets, including the U.S. (East and West Coast), Canada, Northern Europe, Korea, Japan, India, Taiwan and Mainland China (Pearl River Delta, Shanghai and Beijing).

d. It is estimated that the whole marketing programme will cost about $8 million.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	22.3.2004

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

Programme: (2) Information Technology

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding "putting in place arrangements for contractors engaged in developing IT systems for the Government to distribute such systems to other parties ",

e. how many contractors are expected to benefit from the above arrangements? Among them, how many are local companies? How many are small and medium-sized enterprises?

f. on the distribution of such systems, will the Government allow the contractors to:
   1. sell these systems to companies/agencies outside Hong Kong?
   2. disclose which government departments have adopted/are adopting these systems for marketing purpose?

g. What is the cost-effectiveness of the aforesaid arrangements?

Asked by :   Hon. SIN Chung-kai

Reply :

a. The Government is now studying the feasibility of the aforesaid arrangements. Our preliminary thinking is that except under special circumstances (such as for security reasons), all contractors engaged in developing IT systems for the Government would be allowed to distribute such systems to other parties. This will help create more business opportunities for the industry. Under the arrangements, all contractors will be accorded the same treatment regardless of their size and place of incorporation.

b. 1. The Government does not intend to specify which parties the IT systems so developed can be distributed to.

   2. We have no plan for the time being to restrict contractors from disclosing which Government departments have used/are using the systems concerned.

c. We believe that the aforesaid arrangements can make the development of IT systems more cost-effective and create more business opportunities for the local IT industry.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	22.3.2004

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

Programme: (3)Telecommunications

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding plans to promote wireless applications and services (including 3G applications and services),

(a) will the Government follow up on the recommendations made by the Information Infrastructure Advisory Committee's Ad Hoc Working Group on Promotion of Wireless Services and Technology?

(b) if yes, what are the timetable for such follow-up work and their respective priorities?

(c) what is the expenditure so involved?

Asked by :   Hon. SIN Chung-kai

Reply :

(a) The Director of Information Technology Services set up a working group in December 2003 to follow up on and implement the recommendations made by the Information Infrastructure Advisory Committee's Ad Hoc Working Group on Promotion of Wireless Services and Technology. The working group comprises representatives from Government departments, the Hong Kong Wireless Technology Industry Association, the Hong Kong Wireless Development Centre, the Hong Kong Productivity Council and the Hong Kong Information Technology Federation. The working group will report progress to the Information Infrastructure Advisory Committee on a regular basis.

(b) Since its establishment in December 2003, the working group has formulated a programme of initiatives to implement the relevant recommendations and held 3 meetings. The priority tasks of the working group include promotion and education as well as technologies and their application. Ad hoc subgroups have also been formed to undertake follow-up work. The working group aims at completing its work within 2004.

(c) The working group plans to complete its work with the existing manpower and financial provision and no additional funding is required.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	22.3.2004

Reply Serial No.

CITB(CT)013

Question Serial No.

0839

CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

Head: 55 – Government Secretariat: Commerce, Industry and Technology Bureau (Communications and Technology Branch)

Subhead: 000 Operational Expenses

Programme: -

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

Director of Bureau: Secretary for Commerce, Industry and Technology

Question:

Please list the revised estimate for duty visits outside Hong Kong in 2003-04 for the Secretary for Commerce, Industry and Technology and the Permanent Secretary for Commerce, Industry and Technology (Communications and Technology), with particulars of : (1) the purposes and details of the visits; (2) the main means of transport and related expenses for the visits; (3) board and lodging expenses for the visits. What is the corresponding estimated expenditure for 2004-05? Has the Administration laid down a ceiling on the amount of allowances that can be granted and a set of criteria for approving such allowances?

Asked by : Hon. SIN Chung-kai

Reply:

(1) In 2003-04, the Secretary for Commerce, Industry and Technology (SCIT) and the Permanent Secretary for Commerce, Industry and Technology (Communications and Technology) (PSCT) have undertook duty visits to Geneva, Tokyo, the United States, Canada and Mainland cities. The purposes of these duty visits were: to attend ITU Telecom World 2003 in Geneva; to take part in promotion activities organised by the Hong Kong Science and Technology Parks Corporation in Tokyo; to attend meetings relating to e-government and information technology development in the United States and Canada; and to meet relevant Mainland organisations and exchange on issues of common concern.

(2) These trips involved mainly air travel and land transport. A provision of $110,000 has been included in the 2003-04 revised estimate to meet transportation expenses for SCIT and PSCT. Similar provision is estimated for 2004-05.

(3) A provision of $25,000 has been included in the 2003-04 revised estimate for subsistence allowances for SCIT and PSCT. Similar provision is estimated for 2004-05.

Under the current policy, an officer who is on duty outside Hong Kong may be granted a subsistence allowance at specified daily rates to cover the cost of the appropriate standard of accommodation and meals, laundry charges, casual entertainment, gratuities, travelling expenses within town and all minor incidental out-of-pocket expenses. The rates of the subsistence allowance differ from country to country to take into account the different costs in different countries. The amount of allowance paid is abated in case of sponsorship of hotel accommodation or in cash.

Name in block letters _____ Francis Ho _____

Post Title _____ Permanent Secretary for Commerce, Industry and Technology (Communications and Technology) _____

Date _____ 26.3.2004 _____

Reply Serial No.

CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

CITB(CT)014

Question Serial No.

0841

Head: 55 - Government Secretariat: Subhead: 000 Operational Expenses
         Commerce, Industry and Technology Bureau
         (Communications and Technology Branch)

Programme: -

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

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Please provide a breakdown of the expenses incurred by the Secretary for Commerce, Industry and Technology and the Permanent Secretary for Commerce, Industry and Technology (Communications and Technology) in official entertainment, such as receptions and banquets, in 2003-04, and the estimate for 2004-05. Has the Government set an upper limit for such expenses? Are there any objective criteria for approving such expenses?

Asked by :   Hon. SIN Chung-kai

Reply :

In 2003-04, an amount of $140,000 has been expended in official entertainment activities for the Secretary for Commerce, Industry and Technology (SCIT), the Permanent Secretary for Commerce, Industry and Technology (Communications and Technology) (PSCT) and all staff in the Communications and Technology Branch. A similar estimate is provided for 2004-05. Breakdown for individual officers is not available because reimbursements are made to officers who have actually made payments but may have paid on behalf of SCIT or PSCT. Besides, there are functions which are attended by SCIT or PSCT together with their colleagues. It is difficult to identify the exact amount of expenditure incurred by SCIT or PSCT. Furthermore, the expenditure incurred also covers entertainment activities not attended by SCIT and PSCT but hosted by their staff.

Under the Civil Service Regulations, expenditure on entertainment may be charged to public funds only when it is directly related to the discharge of an officer's duties or is a necessary part of making or maintaining contacts in his official capacity, and is in the public interest. To exercise economy, the prevailing guideline issued is that departments should aim to spend not more than $250 per person for lunch and not more than $400 per person for dinner.

Name in block letters   Francis Ho

Post Title   Permanent Secretary for Commerce, Industry and
                    Technology
                    (Communications and Technology)

Date   26.3.2004

<table>
<tr><td>Examination of Estimates of Expenditure 2004-05
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**</td><td>Reply Serial No.
CITB(CT)015</td></tr>
<tr><td></td><td>Question Serial No.
1288</td></tr>
</table>

Head: 55 - Government Secretariat: Commerce, Industry and Technology Bureau (Communications and Technology Branch)
Subhead (No. & title): 000 Operational Expenses

Programme:

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

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

The 2004 Policy Address has mentioned about the need to raise the standard of policy research undertaken by the Government:

"To improve our governance, we must raise the level of sophistication with which both the Government and the community handle policy issues. We need to do more public policy research, particularly from a macro and long-term perspective. Objective and concrete public policy research will help us better realise the objectives of effective governance. It will help us avoid sweeping, politicised and emotional policy debates, thus making it easier for the Government and various sectors of the community to reach a consensus on public issues. This will ensure that our policies are implemented more effectively and better able to serve the long-term development needs of Hong Kong."

Please advise whether provision has been made or resources deployed in the 2004-05 Estimates to take forward a stated commitment of the Policy Address that public policy matters will be pursued with a higher standard. If yes, please give a detailed account of the projects funded. If not, what are the reasons for that?

Asked by : Hon. SIN Chung-kai

Reply :

Since the publication of the 2004 Policy Address, the Central Policy Unit has been exploring ways to promote research on public policy issues and develop the human resources required. It is formulating an agenda for policy research so as to take forward research on priority issues. To meet this objective, the Central Policy Unit will carry out relevant research work using in-house resource as far as possible. It is hard to estimate the full resource implications at this juncture.

As for the Communications and Technology Branch, we will, through more comprehensive policy research and consultations and more critical policy thinking and reviews, make every effort to ensure that public policy matters in relation to broadcasting, film production, information technology and telecommunications will be pursued with a higher standard. It is hard to quantify the resources required for such work, but the overall estimated expenditure would be absorbed within the provisions under our respective Programmes for 2004-05 as set out in the Controlling Officer's Report.

Name in block letters	Francis Ho
Post Title	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Date	26.3.2004

Examination of Estimates of Expenditure 2004-05

CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

Reply Serial No.

CITB(CT)016

Question Serial No.

0324

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

Programme: (5) Infrastructural Support

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 specific business plan for the Hong Kong Jockey Club Institute of Chinese Medicine Limited (HKJCICM) in 2004-05? Please provide a breakdown of the expenses involved.

Asked by :   Hon. CHAN Kwok-keung

Reply :

In 2004-05, the initiatives of the HKJCICM will include:

(a) strengthening its capabilities in projects and intellectual property management;

(b) enhancing its information management and business development;

(c) fully operating its Chinese medicine laboratory for better quality control of Chinese medicines;

(d) continuing with the 7 research and development (R&D) programmes initiated earlier, planning to launch new R&D projects including that in the fields of endocrinology and neuroscience; and

(e) building and promoting its identity to pursue its public mission.

HKJCICM is a subsidiary of the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI). Its day-to-day operating expenses are met by ASTRI's recurrent subvention granted by the Government. The estimated operating expenses for HKJCICM in 2004-05 will be $8 m, including staff costs, office rental and miscellaneous expenses which are $5.5 m, $0.7 m and $1.8 m respectively. The funding for its R&D programmes is met by the HK$500 m donation from the Hong Kong Jockey Club.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

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

Programme: (5) Infrastructural Support

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 details and the breakdown by expenditure items for the collaboration programme initiated by the Government and the Hong Kong Design Centre (HKDC)? What is the programme plan for 2004-05?

Asked by :   Hon. CHAN Kwok-keung

Reply :

Since the establishment of HKDC in September 2002, a number of activities, such as talks, seminars and exhibitions, have been held to promote the development of the local design industry and to enhance its competitiveness in the region. In this regard, the HKSAR Government provided $5.2 m in 2003-04 for some collaborative activities with HKDC, such as a TV series on design excellence and success stories, the World's Outstanding Chinese Designer Award to recognise the outstanding achievements of a Chinese designer, and the Design, Career and Education Exhibition.

The Financial Secretary announced in his Budget Speech on 10 March 2004 the plan to launch a DesignSmart Initiative with funding support of $250 m. In order to enhance the existing design support infrastructure, the Initiative will mainly include nurturing of start-up design ventures, training manpower in design and branding, and promoting and honouring design excellence. HKDC will assist in the implementation and promotion of part of the initiatives. Study and planning of relevant details are underway.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Examination of Estimates of Expenditure 2004-05 **CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION**	Reply Serial No. CITB(CT)018 Question Serial No. 0532

Head: 155 Government Secretariat : 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:

(a)   What researches were completed by the Council of Advisors on Innovation and Technology (CAIT) from 2001-02 to 2003-04? How many of them have been implemented in actual practice? How much funding has been spent on relevant researches and projects that have been implemented in actual practice?

(b)   The provision for 2004-05 will be increased by 74.2% to $31.7 m. Please give a detailed account of the increase in expenditure, and items that show an increase in expenses and the amounts concerned.

Asked by :   Hon. CHAN Kwok-keung

Reply :

(a)   During the 3 years from 2001-02 to 2003-04, the CAIT has studied 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. The discussions and proposals of CAIT do not incur any research expenditure. 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 has established the Hong Kong Integrated Circuits (IC) Design and Development Support Center 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 establishment of the Hong Kong IC Design Centre and Hong Kong IC Development Support Centre has been approved by the Innovation and Technology Fund (ITF) with a funding support of around $72.8 m. The ASTRI, which performs 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.

(b)   The estimated provision for Programme (4): Planning for Innovation and Technology Development in 2004-05 is $31.7 m, which is about the same as the original provision for 2003-04 ($30.3 m). The estimated provision for 2004-05 is $ 13.5 m, i.e. 74.2%, higher than the revised provision for 2003-04. This is mainly due to the deferment or reduction in expenditure of a sum of about $12.1 m in the original provision for 2003-04. For instance, in the light of the SARS outbreak in 2003, we need to

review the arrangements for promotional events, such as the Innovation Expo, thus deferring the use of $9 m non-recurrent expenditure. The remaining reduction in expenditure is due to the deletion of an Administrative Officer Staff Grade C post, non-filling of some posts, and reduced departmental expenses to achieve efficiency savings. The main reasons for the estimated provision for 2004-05 restoring to the 2003-04 level with a slight increase are as follows:

(i)   To strengthen support for planning innovation and technology development

The Government will adopt a new strategy to enhance the development of innovation and technology in Hong Kong. In 2004-05, the Innovation and Technology Commission (ITC) has to redeploy its existing resources from other programmes, so as to cope with the increased workload without an actual addition in general departmental resources. Relevant expenditure items include the total payroll cost of about $ 6.7 m for 6 staff (including Assistant Commissioner, Personal Secretary I, Principal Trade Officer, Trade Officer, Senior Electrical and Mechanical Engineer, and Electrical and Mechanical Engineer) and other supporting staff, and the estimated departmental expenses of about $1.6 m for activities under this new strategy organised by ITC, such as seminars, forums, consultancy studies, consultations with the industry and duty visits to the Pearl River Delta.

(ii)   Additional cashflow requirement for non-recurrent items

It is estimated that 2 technology consultancy studies will be carried out in 2004-05 (including the study on Hong Kong-Mainland technological collaboration and the study on the development of biotechnology in Hong Kong), and the additional cashflow requirement for this purpose is about $1.2 m. The additional cashflow requirement for reactivating the promotional events, such as the Innovation Expo, is about $4 m.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

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

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer :   Commissioner for Innovation and Technology

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

How many technology start-ups have benefited from the incubation programme run by the Hong Kong Science and Technology Parks Corporation (HKSTPC)? What is their percentage amongst the total number of technological companies operating in HKSTPC? What is the funding requirement for the incubation programme in 2004-05?

Asked by :   Hon. CHAN Yuen-han

Reply :

As at 29 February 2004, 168 companies have participated in the incubation programme run by the HKSTPC. 87 of them are still under the incubation programme, representing 32% of the existing 273 companies operating in HKSTPC. Expenses for the incubation programme are met by the working capital of HKSTPC and the Government does not provide recurrent funding for the Corporation.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Examination of Estimates of Expenditure 2004-05
CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

Reply Serial No.

CITB(CT)020

Question Serial No.

0405

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

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer :   Commissioner for Innovation and Technology

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

What is the funding requirement for the Small Entrepreneur Research Assistance Programme (SERAP) in 2004-05? Is there any difference as compared to the past two years?

Asked by :   Hon. CHAN Yuen-han

Reply :

The estimated funding requirement for SERAP for 2004-05 is about $75.4 m. The fundings approved in 2002-03 and 2003-04 were about $34.97 m and $43.57 m respectively.

The main reason for a higher estimated funding requirement in 2004-05 is that the number of new projects increased from 29 in 2002 to 64 in 2003 and some of the approved projects have proceeded to Phase II that require larger funding amounts in 2004-05. Moreover, the number of new funded projects is expected to further increase to 80 in 2004.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Examination of Estimates of Expenditure 2004-05
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)021

Question Serial No.

0406

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

Programme: (5) Infrastructural Support

Controlling Officer :   Commissioner for Innovation and Technology

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

(a) What is the occupancy rate of the Science Park during 2003-04?

(b) How much is the rent/sq.ft. for the premises in the Science Park? How is the rental level in the Science Park compared with other similar buildings in Hong Kong and the same district?

(c) Are there any government departments and publicly-funded organisations among the tenants? If yes, what is their ratio to the total number of tenants? Can you name these tenants? Please inform whether or not their rental level is the same as other tenants.

(d) How many tenants are having less than and more than 50 employees respectively?

Asked by :   Hon. CHAN Yuen-han

Reply :

(a) As at 29 February 2004, the take-up rate of the Science Park was 78%, including the prospective tenants who are in serious negotiations with the Science Park.

(b) The rental level for the premises in the Science Park Phase 1 is about US$ 1/sq. ft. The actual rentals are determined on a case-by-case basis. The Science Park forms a technology community along the concept of clustering. By facilitating networking and idea exchange, the Science Park can maximize the synergy and promote the development of innovation and technology. The Science Park also provides various technology services and facilities to its tenants, such as clean rooms and the Integrated Circuits (IC) Design and Development Support Center, and fosters university-tenant collaborations in researches and various placement programmes. In view of the differences in nature and functions, it is not suitable to make direct comparison between the rental level of the Science Park with that of buildings in the same district and other parts of Hong Kong,.

(c) Among the Phase 1 tenants, only the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) is a publicly-funded organisation, accounting for 1.82% of the total number of tenants. Its rental level is similar to that of other tenants.

(c) Among the approved tenants of the Science Park Phase 1, 9 companies have more than 50 employees, while 46 of them employ less than 50 people.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

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

Programme: (5) Infrastructural Support

Controlling Officer :   Commissioner for Innovation and Technology

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

What will be the respective expenses for the collaborations with the Hong Kong Science and Technology Parks Corporation (HKSTPC), Applied Science and Technology Research Institute Company Limited(ASTRI), Hong Kong Jockey Club Institute of Chinese Medicine Limited (HKJCICM), Hong Kong Productivity Council (HKPC) and the Hong Kong Design Centre (HKDC) in 2004-05? Please specify the expenditure items concerned.

Asked by :   Hon. CHAN Yuen-han

Reply :

The provisions required by HKSTPC, ASTRI, HKJCICM, HKPC and HKDC in 2004-05 and their respective expenditure items are as follows:

HKSTPC

HKSTPC is responsible for its own operating expenditure, and the Government does not provide any recurrent funding for this purpose. On the other hand, on 6 July 2001, the Finance Committee approved a commitment to inject $2.435 b as equity and to provide a loan of $1.043 b to the HKSTPC to enable it to proceed with the construction of Science Park Phase 2. It is estimated that the first injection of equity of $525,351,000 will be made in 2004-05.

HKPC

At present, the Government's annual provisions to HKPC are comprised of recurrent subventions and capital subventions. In 2004-05, the Government's estimated provisions for HKPC's recurrent subvention and capital subvention are $166.26 m and $18.13 m respectively. The recurrent subvention is to cover part of HKPC's operating expenses, while the capital subvention is for the repayment of loan for the construction of the HKPC Building and the payment for the interest thereon.

HKDC

The Financial Secretary announced in his Budget Speech on 10 March the plan to launch a DesignSmart Initiative with funding support of $250 m, in order to enhance the existing support to the design industry. The Government will consult relevant organisations and the industry concerning the details of the Initiative, and then submit its funding application (including the provision required by HKDC in performing its roles, such as implementing organisation, for certain parts of the Initiative) to the Legislative Council.

ASTRI and HKJCICM

The Government provides $86.74 m to ASTRI for its recurrent subvention in 2004-05, among which $8 m is for financing its subsidiary HKJCICM. The provision is mainly for meeting recurrent operating expenses, including staff remuneration, office rentals, and office and research equipment etc.

Name in block letters	Anthony S K Wong
Post Title	Commissioner for Innovation and Technology
Date	26.3.2004

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

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

Programme: (7) Subvention: Hong Kong Productivity Council, 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 :

(a) How many local firms engaging in foundation industries did the Hong Kong Productivity Council (HKPC) provide support in 2003-04? What sectors did they belong to (e.g., Chinese medicine, computer software etc.)? How many local workers did they employ? What are the estimations for the above for 2004-05?

(b) How many firms did HKPC serve in 2003-04? How many of them did not have any production activities in Hong Kong? What are the estimations for the above for 2004-05?

Asked by : Hon. CHAN Yuen-han

Reply :

(a) In 2003-04, the Hong Kong Productivity Council (HKPC) provided support services including consultation services and trainings to 1 400 companies in the foundation industries under four programmes areas, namely manufacturing technologies, management systems, information technologies and environmental technologies. These companies came from different sectors of foundation industries, including textiles and clothing, electronics and electrical appliances, watches and jewellery, plastics and toys, metal and electronic components, machinery, communications, office equipment and linkage industries. While HKPC has not collected information on the number of local employees employed by these companies, it will focus its services primarily on the small and medium enterprises (SMEs). In 2004-05, it is estimated that the Council will continue to provide integrated support services to about 1 600 companies in the foundation industries.

(b) In 2003-04, HKPC provided integrated support services to a total of 3 000 companies (including companies in the foundation industries). HKPC has not collected information on the presence of production activities of these companies in Hong Kong. In 2004-05, it is estimated that HKPC will provide varied support services to about 3 600 companies (including companies in the foundation industries).

Name in block letters	Anthony S K Wong
Post Title	Commissioner for Innovation and Technology
Date	26.3.2004

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

Programme: (7) Subvention: Hong Kong Productivity Council, 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 :

Has the Design Innovation (HK) Limited achieved self-sufficiency? What are the profit and deficit figures for the last two fiscal years? How many organisations did it serve? What are the estimations for the above for 2004-05?

Asked by :   Hon. CHAN Yuen-han

Reply :

Design Innovation (HK) Limited (DIHK) is a subsidiary wholly owned by the Hong Kong Productivity Council (HKPC) and operates on a self-financing basis. As DIHK is run along the commercial lines, it is not suitable in this context to disclose its detailed profit and deficit figures. On the whole, however, slight deficits were recorded in 2002-03 and 2003-04. Although it is estimated that a minor deficit will still be shown in 2004-05, it should be an improvement when compared with the figure of 2003-04. As for the number of organisations benefit from its services, DIHK provided services to some 30 to 40 organisations annually in 2002-03 and 2003-04, and expects to provide services to a similar or slightly larger number of organisations in 2004-05.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

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

Programme: (7) Subvention: Hong Kong Productivity Council, 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 :

(a)   What were the staffing establishment, respective numbers of posts at each rank and the staff costs concerned of the Hong Kong Productivity Council (HKPC) and the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) in 2003-04?

(b)   What are the staffing establishment, respective numbers of posts at each rank and the staff costs concerned of HKPC and ASTRI in 2004-05?

Asked by : Hon. LAU Wai-hing, Emily

Reply :

In 2003-04, the total amount of staff costs for HKPC and ASTRI were $270.27 m and $41.48 m respectively. Please refer to Annexes 1 and 2 for the details of the staffing establishment, respective number of posts at each rank and staff costs of HKPC and ASTRI.

In 2004-05, the estimated staff costs for HKPC and ASTRI are $250.93 m and $47.29 m respectively. Please refer to Annexes 3 and 4 for the details of the staffing establishment, respective number of posts at each rank and staff costs of HKPC and ASTRI.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Staffing establishment, number of posts at each rank and staff costs of HKPC in 2003-04

Ranks	Number of posts	Payroll costs
Directorate	5	$10.40 m
General Manager/Senior Principal Consultant	18	$25.18 m
Principal Consultant	31	$34.38 m
Senior Consultant	67	$52.47 m
Consultant (Including other professional grades)	188	$79.77 m
Project Staff	187	$53.90 m
Other Support Staff	52	$14.17 m
Total	**548**	**$270.27 m**

Staffing establishment, number of posts at each rank and staff costs of ASTRI in 2003-04

Ranks	Number of posts	Payroll costs
R & D Directors and Directorate	9	$14.53 m
Senior R & D Engineers and Senior Executives	38	$18.50 m
R & D Engineers, Administration and other supporting professional	36	$2.48 m
Junior Engineer, Research Assistant and Secretary	111	$5.61 m
Other support staff	6	$0.36 m
Total	**200**	**$41.48 m**

Remarks: Staff costs for posts varied from a few months to one year.

Estimated staffing establishment, number of posts at
each rank and staff costs of HKPC in 2004-05

Ranks	Number of posts	Payroll costs
Directorate	5	$10.26 m
General Manager/Senior Principal Consultant	16	$25.24 m
Principal Consultant	29	$32.77 m
Senior Consultant	61	$45.42 m
Consultant (Including other professional grades)	180	$73.73 m
Project Staff	186	$50.39 m
Other Support Staff	48	$13.12 m
Total	**525**	**$250.93 m**

**Estimated staffing establishment, number of posts at
each rank and staff costs of ASTRI in 2004-05**

Ranks	Number of posts	Payroll costs
R & D Directors and Directorate	9	$17.01 m
Senior R & D Engineers and Senior Executives	62	$19.30 m
R & D Engineers, Administration and other supporting professional	54	$2.63 m
Junior Engineer, Research Assistant and Secretary	118	$7.88 m
Other support staff	4	$0.47 m
Total	**247**	**$47.29 m**

Remarks: Staff costs for posts varied from a few months to one year.

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

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

Programme: (7) Subvention: Hong Kong Productivity Council, 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 :

The estimated expenditure for the Hong Kong Productivity Council (HKPC) in 2004-05 will be $184 m, and the work in the coming year will include "providing integrated support to innovative and growth oriented Hong Kong firms across the value chain. Its principal sectoral focus is on manufacturing, particularly on Hong Kong's foundation industries".

Please provide the details and content of the work concerned, the number of manufacturing industries and enterprises to be supported, funds earmarked and the anticipated effectiveness of the work in 2004-05.

Asked by :   Hon. LEUNG LAU Yau-fun, Sophie

Reply :

The future business direction of the Hong Kong Productivity Council (HKPC) will be based on the 3 strategies to be adopted in 2004-05. They include enhancing the operation of Hong Kong enterprises running in Hong Kong and the Pearl River Delta (PRD) by technology and process upgrading, assisting Hong Kong enterprises to capitalise on the business opportunities for the manufacturing industry arising from the Mainland and Hong Kong Close Economic Partnership Arrangement (CEPA), as well as facilitating Hong Kong enterprises to explore more development opportunities to improve cost-effectiveness.

HKPC will provide services in business development and strategic planning, technology transfer and commercialisation, product design and engineering, business management process and logistics, production technology and process, standards and quality, resources planning and management, and other industry support services.

These support services basically cover Hong Kong's industries, in particular the foundation industries and relevant service industries, such as textiles and clothing, electronics and electrical appliances, watches and jewellery, plastics and toys, metal and electronic components, machinery, communications, office equipment and linkage industries. In 2004-05, it is estimated that HKPC will provide integrated support to about 3 600 companies (including companies engaging in foundation industries). The geographical focus will be Hong Kong and PRD. In principle, all the Hong Kong enterprises, in particular small and medium enterprises (SMEs) engaging in foundation industries, could receive support from the above services.

The estimated expenditure on the above support services for HKPC in 2004-05 is $491.03 m.

With the support services provided under its business plan for 2004-05, HKPC strives to help Hong Kong's trade and industrial enterprises to achieve more effective utilisation of resources, enhance the value-added content of products, and enhance their international competitiveness.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION

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

(a)   While the revised estimate for 2003-04 decreased drastically by 40% to $18 m over the original
        estimate, why the estimated provision for 2004-05 increases to some $30 m?

(b)   As regards the work on "promoting and supporting technology co-operation with the Mainland,
        through the framework established with the Ministry of Science and Technology, and under the
        Hong Kong-Guangdong Cooperation Joint Conference", what are the specific plans and the resource
        requirements for that?

Asked by :   Hon. MA Fung-kwok

Reply :

The estimated provision for Programme (4): Planning for Innovation and Technology Development in 2004-
05 is $31.7 m, which is about the same as the original provision for 2003-04 ($30.3 m). The estimated
provision for 2004-05 is $ 13.5 m, i.e. 74.2%, higher than the revised provision for 2003-04. This is mainly
due to the deferment or reduction in expenditure of a sum of about $12.1 m in the original provision for
2003-04. For instance, in the light of the SARS outbreak in 2003, we need to review the arrangements for
promotional events, such as the Innovation Expo, thus deferring the use of $9 m non-recurrent expenditure.
The remaining reduction in expenditure is due to the deletion of an Administrative Officer Staff Grade C post,
non-filling of some posts, and reduced departmental expenses to achieve efficiency savings. The main
reasons for the estimated provision for 2004-05 restoring to the 2003-04 level with a slight increase are as
follows:

(a)   (i)   To strengthen support for planning innovation and technology development

                The Government will adopt a new strategy to enhance the development of innovation and
                technology in Hong Kong. In 2004-05, the Innovation and Technology Commission (ITC)
                has to redeploy its existing resources from other programmes, so as to cope with the increased
                workload without an actual addition in general departmental resources. Relevant expenditure
                items include the total payroll cost of about $ 6.7 m for 6 staff (including Assistant
                Commissioner, Personal Secretary I, Principal Trade Officer, Trade Officer, Senior Electrical
                and Mechanical Engineer, and Electrical and Mechanical Engineer) and other supporting
                staff, and the estimated departmental expenses of about $1.6 m for activities under this new
                strategy organised by ITC, such as seminars, forums, consultancy studies, consultations with
                the industry and duty visits to the Pearl River Delta.

(ii)   Additional cashflow requirement for non-recurrent items

It is estimated that 2 technology consultancy studies will be carried out in 2004-05 (including the study on Hong Kong-Mainland technological collaboration and the study on the development of biotechnology in Hong Kong), and the additional cashflow requirement for this purpose is about $1.2 m. The additional cashflow requirement for reactivating the promotional events, such as the Innovation Expo, is about $4 m.

(b)   To promote Mainland and Hong Kong technological cooperation, we will enter an agreement with the Ministry of Science and Technology shortly. Specific measures of the agreement are under discussion.

For cooperation between Guangdong and Hong Kong, the Expert Group on Cooperation in Innovation and Technology was established under the Hong Kong-Guangdong Joint Cooperation Conference in August 2003. The Group also signed an "Cooperation Arrangement on Innovation and Technology between Guangdong and Hong Kong" in November 2003. To initiate the discussion on technology and industry match-making and cooperation between the two places, the two sides agreed to organise study missions to the Pearl River Delta (PRD). The first study mission, comprising members from both the Innovation and Technology Commission (ITC) and the Department of Science and Technology of the Guangdong Province, was organised at the end of February 2004. Members paid visits to enterprises in Shenzhen, Guangzhou and Zhuhai to gauge their demand for innovation and technology and study ways to strengthen Guangdong-Hong Kong cooperation. More study missions will be organised by both sides this year and industries, universities and research institutions may also be invited to join the missions. We plan to introduce the research capabilities of Hong Kong to enterprises in the Greater PRD, promote technology transfer, and facilitate the industrial development and commercialization of R & D results through organising activities like forums and seminars. We are also liaising with the Department of Science and Technology of the Guangdong Province to support key R & D projects collaboratively. As the suggestions require further study, information about resource requirements is not available for the time being.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Examination of Estimates of Expenditure 2004-05
Reply Serial No.

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

CITB(CT)028

Question Serial No.

0279

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 :

The estimated investment income of the Innovation and Technology Fund (ITF) rose sharply in 2003-04, but drops substantially in 2004-05. Please explain.

Asked by : Hon. NG Leung-sing

Reply :

A large portion of ITF has been transferred to the Exchange Fund for investment. Due to the additional receipts from income from investments with the Exchange Fund in 2003-04, the investment income of ITF increased as a result. It is estimated that the investment returns of ITF to be earned from the Exchange Fund in 2004-05 will be lower than that in 2003-04.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

<table>
<tr><td rowspan="3">Examination of Estimates of Expenditure 2004-05
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**</td><td>Reply Serial No.
CITB(CT)029</td></tr>
<tr><td>Question Serial No.</td></tr>
<tr><td>0280</td></tr>
</table>

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

Programme: (1) Support for Research and Development

Controlling Officer :   Commissioner for Innovation and Technology

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Please give a detailed account of the administration expenses for administering the Innovation and Technology Fund (ITF) in the past 2 years, including the cost for the provision of services like vetting and processing applications, monitoring the progress of projects and conducting financial inspection checks.

Asked by :   Hon. NG Leung-sing

Reply :

The administration expenses for administering ITF in 2002-03 and 2003-04 were $10 m and $11 m respectively. The expenses so involved were spent on the provision of services like vetting and processing applications, and monitoring the progress and conducting financial inspection checks on approved projects.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

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

Programme: (5) Infrastructure Support

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

One area that requires the Commission's special attention in 2004-05 is to assist in the planning and construction of Phase Two of Hong Kong Science Park (HKSP) at Pak Shek Kok. What kind(s) of assistance will the Commission provide to the HKSP project? And what is the financial and staffing provision for this particular task?

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

On 6 July 2001, the Finance Committee approved a commitment to inject $2.435 b as equity and to provide $1.043 b as a loan to the Hong Kong Science and Technology Parks Corporation (HKSTPC) to enable it to proceed with the construction of Science Park Phase 2. It is estimated that an equity injection of $525,351,000 will be made in 2004-05.

In 2004-05, the Innovation and Technology Commission (ITC) will assist the HKSTPC in arranging the equity injection from Government and also liaising with relevant bureaux and departments on matters relating to land, town planning, infrastructure facilities and construction works in the context of planning, development and construction of Science Park Phase 2. The financial and staffing provision of the ITC for this task in 2004-05 is estimated to be $699,000.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Examination of Estimates of Expenditure 2004-05
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CITB(CT)031

Question Serial No.

0225

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

Programme: (1) Support for Research and Development

Controlling Officer :   Commissioner for Innovation and Technology

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

As regards the collaboration with the Applied Science and Technology Research Institute (ASTRI) "in building up its research capabilities and developing and implementing its research projects and transferring technologies to industry for commercialisation",

(a)   what research projects will be initiated by ASTRI in 2004-05? What is the funding requirement of each project?
(b)   how many technical research projects were commercialised with the facilitation of the Innovation and Technology Commission (ITC) in 2003-04? What is the number of research projects expected to be commercialized with the help of ITC in 2004-05?
(c)   what measures will the Government adopt to facilitate technology transfer to industries in 2004-05? What will be the expenses so involved?

Asked by :   Hon. SIN Chung-kai

Reply :

(a)   In 2004-05, ASTRI will continue with the 9 research projects initiated earlier. Please refer to the Annex for the details of the projects.

         ASTRI will launch 19 new projects in 2004-05, including:
         (i)   1 project on integrated circuit design;
         (ii)   2 projects on photonics technologies;
         (iii)   2 projects on wireline communications;
         (iv)   4 projects on wireless communications; and
         (v)   10 projects on feasibility study.
         The estimated total expenditure for the above projects is $69 m.

(b)   With a view to facilitating the commercialisation of research projects, ITC supports ASTRI's projects through the Innovation and Technology Fund (ITF). In 2003-04, we provided funding support for 6 projects undertaken by ASTRI and also facilitated the commercialization of them. One of the projects has been completed and turned into commercial product successfully. In 2004-05, 7 projects are expected to be completed and commercialisation will take place after project completion.

(c)   In 2004-05, we will continue to support ASTRI's research projects through the ITF and will promote the transfer of the results concerned to the industry. The estimated total funding requirements for the new research projects is $69 m.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Research projects initiated before 2004-05 that will be carried on in 2004-05

Research Areas	Project Names	Estimated Expenditure in 2004-05
Photonics Technologies	MSM Photodetectors for High Speed Short Distance Optical Interconnect Packaging Solutions	$4.17 m
Wireline Communications	Wireline Technology Development	$5.55 m
Wireless Communications	Smart Radio Frequency (RF) Network Technologies	$6.22 m
	Enterprise Mobility eXchange (EMX)	$2.65 m
	Wireless Intelligent Service Exchange for the Next Generation Service Creation and Delivery	$3.85 m
	Integrated Management System (IMS) for Location Informed Network (LIN)	$8.03 m
	SmartRF Access Point (AP)	$6.74 m
	Enterprise Voice-Data Management Switch	$9.87 m
	Wireless Mulitmedia Information Appliance (Wireless Multimedia IA)	$9.67 m
Total	**9**	$56.75 m

Head: 155 Government Secretariat : Innovation and Technology Commission

Subhead (No. & title):

Programme: (3) Promotion of Technological Entrepreneurship

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

With regard to "providing further value-added services to companies participating in Small Entrepreneur Research Assistance Programme (SERAP)", how many new value-added services will be provided by the Innovation and Technology Commission (ITC)? Please provide their specific details and the amount of funding involved in 2004-05.

Asked by : Hon. SIN Chung-kai

Reply :

In 2004-05, a number of value-added services will be provided to funded companies under SERAP, including hosting and co-hosting seminars tailor-made for recipient companies, arranging networking activities with stakeholders in the field and the venture capital sector to expand business connections, organising counseling and mentoring services for funded companies with veteran entrepreneurs in relevant industries to share and exchange experience, as well as providing services related to the protection of intellectual property rights.

No extra funding has been earmarked by the ITC for the above value-added services and the administration expenses so involved will be met by existing resources.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Examination of Estimates of Expenditure 2004-05

CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

Reply Serial No.

CITB(CT)033

Question Serial No.

0227

Head: 155 Government Secretariat : Innovation and Technology Commission

Subhead (No. & title):

Programme: (4) Planning for Innovation and Technology

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

With regard to "organising the 'Hong Kong Pavilion' at the China Hi-Tech Fair 2004",

(a) what kinds of technological achievements are expected to be showcased in the "Hong Kong Pavilion"? How many of them are funded by the Innovation and Technology Fund (ITF) or other funding schemes?

(b) what will be the expenses involved in setting up the "Hong Kong Pavilion"?

Asked by : Hon. SIN Chung-kai

Reply :

(a) The China Hi-Tech Fair 2004 will be held at Shenzhen in October 2004. As the preparation work has just begun, we have not yet decided what items to be showcased in the Fair. In the past, the items displayed at the "Hong Kong Pavilion" were publicly invited from the industry. For this year, however, we propose to establish an additional "Hall of Fame" in the Pavilion, focusing on technology projects which have made important breakthroughs or achieved groundbreaking success, or have been awarded. It is believed that the exhibits will include some of the projects which have received funding from ITF or other funding schemes.

(b) A provision of $0.6 m is earmarked in this fiscal year for setting up the "Hong Kong Pavilion".

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION

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

Programme: (7) Subvention: Hong Kong Productivity Council, 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 estimated expenditures for the Hong Kong Productivity Council (HKPC) in 2004-05 under its four programme areas, namely manufacturing technologies, management systems, information technologies and environmental technologies.

Asked by :   Hon. SIN Chung-kai

Reply :

In 2004-05, the estimated expenditures for HKPC in its four programme areas are as follows:

Manufacturing technologies	$197.39 m
Management systems	$131.49 m
Information technologies	$104.28 m
Environmental technologies	$ 57.87 m
Total	$491.03 m

In 2004-05, an estimated recurrent subvention of $166.26 m is earmarked for HKPC for meeting part of its expenses, the shortfall will be met by the income generated from HKPC's services.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

<table>
<tr><td rowspan="3" style="text-align:center">CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION</td><td>Reply Serial No.
CITB(CT)035</td></tr>
<tr><td>Question Serial No.</td></tr>
<tr><td>0229</td></tr>
</table>

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

<u>Programme</u>:   (7) Subvention: Hong Kong Productivity Council, Hong Kong Applied Science and Technology Research Institute Company Limited

<u>Controlling Officer</u> :   Commissioner for Innovation and Technology

<u>Director of Bureau</u> :   Secretary for Commerce, Industry and Technology

<u>Question</u> :

Regarding the offices to be set up by the Hong Kong Productivity Council (HKPC) in Shenzhen, Dongguan and Zhuhai,
(a)   please list out their respective estimated expenditures in 2004-05.
(b)   what supporting services will be provided to Hong Kong companies operating in the Pearl River Delta (PRD)? Which of them are related to the Information Technology (IT) sector?
(c)   how many Hong Kong companies operating in the PRD are expected to benefit from the supporting services? How many of them are IT companies?

<u>Asked by</u> :   Hon. SIN Chung-kai

<u>Reply</u> :

(a)   HKPC is planning to establish offices in the form of "wholly foreign owned enterprises" in Dongguan, Shenzhen and Zhuhai in 2004-05.
The estimated expenditures for Shenzhen, Dongguan and Zhuhai offices in 2004-05 are as follows:
Dongguan $7.658 m
Shenzhen $3.846 m
Zhuhai $1.359 m
(b)   The offices to be set up by HKPC in the PRD will focus on the provision of project consulting services on technology upgrading, environmental protection technology, management systems and related trainings to Hong Kong firms operating in the region. As for information technology, HKPC will provide technology application services, with a view to improving manufacturing and management processes, to form part of its integrated support (such as quality control and project management). Besides, HKPC will assist Hong Kong software companies to explore business opportunities by, for example, optimal use of the resources in the PRD in order to obtain the software development opportunities outsourced by international enterprises.
(c)   According to the "Made in PRD" Study published by the Federation of Hong Kong Industries in 2003, there are about 60 000 Hong Kong enterprises operating in the PRD Region. These enterprises can make use of the series of services provided by HKPC, such as consultations, trainings, seminars, exhibitions and study missions, to achieve more effective utilisation of resources and enhance the value-added content of products and services, and increase their international competitiveness.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

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

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

Programme: (1) Support for Research and Development

Controlling Officer :   Commissioner for Innovation and Technology

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

In 2003, only 16 projects were approved under the Innovative Product Development Assistance Scheme (IPDAS) and the estimated number of projects approved in 2004 is 9 only. What is the reason for that? Please list out the projects funded and the amount of funds granted. Has the Government consulted the industries and the major trade and industrial associations as to whether the application procedures are too complicated?

Asked by :   Hon. TING Woo-shou, Kenneth

Reply :

IPDAS was introduced in 1 April 2003 as a one year trial scheme targeting at consumer electronics products. Among the 34 applications we have received for the first 9 months since the commencement of the Scheme, 16 of them have received funding approval. Details of the projects funded and the amounts of funding are at Annex.

As this trial scheme will end on 31 March 2004, it is estimated that only 9 projects will be approved in 2004.

Before launching the Scheme, we had consulted the industries and the trade and industrial associations on the scope of funding, application procedures as well as the operation of the Scheme, and had won their support over this new initiative. We have taken their opinions into account before implementing the Scheme.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Approved projects under IPDAS and the Funding Amount

	Project Names	Funding Amount
1	SMART+Watch	$290,530
2	ASTell Technology-based ELP for English Learning	$1,585,000
3	Wi-Fi Handheld Terminal – F963 MT_junior IEEE 802.11b Wi-Fi	$686,932
4	SDI Video Processor with Scaler for Videophiles	$429,000
5	Speech Control Talking LED Alarm Clock Radio	$737,500
6	Superior Sound Quality & 2.4GHz Cordless Surround Sound Headset (SRS WOW)	$625,655
7	Development of Advanced DVB Set Top Box with Personal Video Recorder Function	$809,000
8	Low Voltage Watch Circuit with Build-in High Voltage Electroluminescent Driver	$300,000
9	Platform for Portable Digital Audio/Visual Products	$740,000
10	Full Color OLED Controller Driver IC with 2D Graphic Engine-SSD1338	$1,024,571
11	Adaptive Antenna Access Point for 802.11g Universal Plug & Play (UPnP) Digital Home Networks	$1,065,000
12	Microcontroller Design	$781,650
13	High Definition Rear Projection Optical Engine based on Liquid Crystal on Silicon (LCoS) Light Valve	$215,000
14	Design and Development of an EletroLuminescence Display Timepiece Integrated Circuit	$602,000
15	Photo Album for TV/DVD Handset	$1,080,530
16	Hard Disk Based Automobile Multi-media Entertainment Center	$1,072,150
	Total	**$12,044,518**

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

Programme: (1) Support for Research and Development

Controlling Officer :   Commissioner for Innovation and Technology

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Among the 216 applications actually received under the Innovation and Technology Support Programme (ITSP) in 2002, how much funding was approved in total? It is estimated that only 152 applications will be received in 2004. Why is the number of applications expected to drop? What initiatives will the Innovation and Technology Commission (ITC) take to further promote ITSP in 2004-05? Is there any additional resource involved for implementing such initiatives.

As for the funding of the Innovation and Technology Fund (ITF), what criteria does ITC follow in setting its "solicitation themes" to invite applications?

Asked by :   Hon. TING Woo-shou, Kenneth

Reply :

In 2002, only 114 applications were received under ITSP, among which 30 were granted funding support. The total approved funding amounted to $147.6 m.

It is estimated that 150 applications will be received under ITSP in 2004. The estimated figure is similar to the number of applications received in 2003.

As in the past, we will continue to promote ITSP to universities, industry support organisations, trade and industry associations, professional bodies, research institutions and local companies in 2004, and encourage them to submit applications. The promotional activities do not involve any additional resources.

We introduced the theme solicitation arrangement in November 2000. The aim of this arrangement is to facilitate more sharply focused project objectives. The specific areas for soliciting research proposals were identified through discussions with the local research communities and industries in order to ensure that projects solicited under these themes could meet the situation and needs of Hong Kong, while taking technological development trends into consideration.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

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

Under this programme, the provision for 2004-05 increases significantly by 74.2% compared with the revised estimate for 2003-04 due to the increased provision to strengthen the support for planning innovation and technology development, as well as increased cashflow requirement for non-recurrent items. Please explain and provide a breakdown for these two expenditure items and the additional amount of expenditure concerned.

Asked by :   Hon. YEUNG Sum

Reply :

The estimated provision for Programme (4): Planning for Innovation and Technology Development in 2004-05 is $31.7 m, which is about the same as the original provision for 2003-04 ($30.3 m). The estimated provision for 2004-05 is $ 13.5 m, i.e. 74.2%, higher than the revised provision for 2003-04. This is mainly due to the deferment or reduction in expenditure of a sum of about $12.1 m in the original provision for 2003-04. For instance, in the light of the SARS outbreak in 2003, we need to review the arrangements for promotional events, such as the Innovation Expo, thus deferring the use of $9 m non-recurrent expenditure. The remaining reduction in expenditure is due to the deletion of an Administrative Officer Staff Grade C post, non-filling of some posts, and reduced departmental expenses to achieve efficiency savings. The main reasons for the estimated provision for 2004-05 restoring to the 2003-04 level with a slight increase are as follows:

(i)   To strengthen support for planning innovation and technology development

The Government will adopt a new strategy to enhance the development of innovation and technology in Hong Kong. In 2004-05, the Innovation and Technology Commission (ITC) has to redeploy its existing resources from other programmes, so as to cope with the increased workload without an actual addition in general departmental resources. Relevant expenditure items include the total payroll cost of about $ 6.7 m for 6 staff (including Assistant Commissioner, Personal Secretary I, Principal Trade Officer, Trade Officer, Senior Electrical and Mechanical Engineer, and Electrical and Mechanical Engineer) and other supporting staff, and the estimated departmental expenses of about $1.6 m for activities under this new strategy organised by ITC, such as seminars, forums, consultancy studies, consultations with the industry and duty visits to the Pearl River Delta.

(ii)   Additional cashflow requirement for non-recurrent items

It is estimated that 2 technology consultancy studies will be carried out in 2004-05 (including the study on Hong Kong-Mainland technological collaboration and the study on the development of biotechnology in Hong Kong), and the additional cashflow requirement for this purpose is about $1.2 m. The additional cashflow requirement for reactivating the promotional events, such as the Innovation Expo, is about $4 m.

Name in block letters   Anthony S K Wong

Post Title   Commissioner for Innovation and Technology

Date   26.3.2004

Head: 111 Innovation and Technology Fund   Subhead (No. & title):

Programme:

Controlling Officer : Commissioner for Innovation and Technology

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

It is estimated that the closing balance of the $5 b Innovation and Technology Fund (ITF) is $4.211 b in 2004-05, and the revised estimate of the total expenditure for 2003-04 and the estimated total expenditure for 2004-05 are only $502 m and $644 m respectively. How does the Administration promote the wider use of ITF to encourage more applied R&D activities, so as to enhance the competitiveness of Hong Kong?

Asked by : Hon. SIN Chung-kai

Reply :

The $5 b ITF started operation officially at the end of 1999. The Fund has supported more than 500 research and development (R&D) projects for the past 4 years with a total funding amount of $1.433 b. The aim of setting up the Fund is to finance projects that contribute to innovation or technology upgrading in industry and this remains the underlying principle we follow in vetting funding applications. The total expenditure of ITF for the past 3 years increased from $280 m in 2001-02 to $502 m in 2003-04 and the amount is expected to further increase to $644 m for 2004-05. It is expected that the upward trend will continue.

To strengthen the effectiveness of ITF, we are liaising with the industry and research institutions in identifying the technology needs of industries as well as the potential focus areas where Hong Kong has research strengths to ensure that the Fund could better meet our actual needs.

Name in block letters	Anthony S K Wong
Post Title	Commissioner for Innovation and Technology
Date	26.3.2004

<table>
<tr><td rowspan="3">Examination of Estimates of Expenditure 2004-05
CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION</td><td>Reply Serial No.</td></tr>
<tr><td>CITB(CT)040</td></tr>
<tr><td>Question Serial No.
1115</td></tr>
</table>

<u>Head</u>: 47 – Information Technology Services Department   <u>Subhead</u> (No. & title):

<u>Programme</u>:   (2) IT Infrastructure and Standards

<u>Controlling Officer</u> :   Director of Information Technology Services

<u>Director of Bureau</u> :   Secretary for Commerce, Industry and Technology

<u>Question</u> :
What is the expenditure on Government's measures to assist the community in the prevention of virus attacks? Do these measures involve cooperation with software vendors so as to enable downloading of anti-virus software and latest virus signature from government web sites? If no, what are the reasons?

<u>Asked by</u> :   Hon. CHAN Kwok-keung

<u>Reply</u> :   The Government is committed to promoting public awareness of information security. In order to assist small and medium enterprises and the community in the handling of virus attacks and information security incidents, the Government has provided, from the Innovation and Technology Fund, a sum of $10.7 m to the Hong Kong Productivity Council for establishing the Hong Kong Computer Emergency Response Team Coordination Centre (HKCERT/CC) to cover the expenses of its first three years of operation. The HKCERT/CC was launched in February 2001. For 2004-05, its estimated expenditure of around $3.7 m will be provided by CITB. The HKCERT/CC is responsible for coordinating the responses to computer virus attacks and information security incidents in Hong Kong, including the handling of incident reporting, help-line services, and the provision of recovery support. The HKCERT/CC has maintained close relationships with information security institutions and anti-virus software vendors worldwide. Furthermore, latest information related to information security and computer virus is made available at its website (www.hkcert.org). Through the respective links at the website, the public can visit those anti-virus software websites to download anti-virus software and latest virus signatures.

In recent years, the Government has also launched a series of public educational and promotional campaigns to arouse public awareness of information security and computer related crimes. These include the launching of the INFOSEC portal (www.infosec.gov.hk) in September 2002 to promulgate guidelines and best practices related to information security, the broadcasting of promotional and educational programs via local radio and TV stations, and the publishing of reference materials for distribution to the community. The expenditure incurred in the fiscal years 2002-03 and 2003-04 was around $3.5 m.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

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 :

The updated version of Digital 21 Strategy will be announced soon. What is the manpower and expenditure involved? Has the cost-effectiveness of its production been assessed?

Asked by :   Hon. CHAN Kwok-keung

Reply :

The 2004 Digital 21 Strategy was announced by the Secretary for Commerce, Industry and Technology on 4 March 2004. Its formulation was mainly undertaken by the staff of the Commerce, Industry and Technology Bureau and the Information Technology Services Department. The Government has not employed consultancy firms to assist in the preparation of the 2004 Digital 21 Strategy. The design and publication costs for the production of the strategy document amounted to around $220,000. In view of the fast IT development, the Government needs to periodically update its IT Strategy to keep pace with changing circumstances. We consider this arrangement for updating the Digital 21 Strategy to be cost-effective.

Name in block letters   Alan Wong

Post Title   Director of Information Technology Services

Date   25.3.2004

<u>Head</u>:   47 – Information Technology Services Department   <u>Subhead</u> (No. & title):

<u>Programme</u>:   (1) Use of IT in Government

<u>Controlling Officer</u> :   Director of Information Technology Services

<u>Director of Bureau</u> :   Secretary for Commerce, Industry and Technology

<u>Question</u> :

Under Matters Requiring Special Attention in 2004-5, a number of initiatives involve assisting the bureaux and departments to enhance IT usage in their operations. While provisions are made to promote the wider use of IT within the Government, are there corresponding measures to strengthen the security of the computer systems within the Government? What will be the estimated expenditure for such measures?

<u>Asked by</u> :   Hon. CHU Yu-lin, David

<u>Reply</u> :

        The Government is committed to implementing the e-government programme to improve services and efficiency through technology exploitation and to drive the wider adoption of IT in the business sector and the community. In 2004-05, the estimated expenditure on computerisation is around $1,884 million. The Government always attaches great importance to the IT security of its computer systems, and has formulated a comprehensive set of IT security policy, procedures and guidelines. When designing, developing, operating and maintaining their computer systems, bureaux and departments must include security planning and implement appropriate and effective security measures and controls according to the IT security requirements of the systems. Under Government's IT security policy, IT security must be integrated into every facet of the development and operation of computer systems. As maintaining a high security level is an inseparable part of the development and operation of Government's computer systems, the Government does not have a separate tab on the expenditure of IT security measures for its computer systems.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

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

Programme: (1) Use of IT in Government

Controlling Officer :   Director of Information Technology Services

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :
The Information Technology Services Department indicated that the total value of work undertaken in 2003 was $1,399 million, while the total value of work outsourced in the same year amounted to $1,243 million. With such large-scale outsourcing of work, what savings in expenditure have been achieved? Will a surplus of manpower become a problem in the department on account of outsourcing?

Asked by :   Hon. CHU Yu-lin, David

Reply :
        The Government has adopted a vigorous outsourcing policy for its IT projects with a view to utilising the latest and state-of-the-art technologies and services to enhance the quality and efficiency of public services, as well as creating a market of sufficient size to foster the development of the local IT industry.

        The outsourcing of work referred to in the question are IT projects related to the launching of new services or initiatives. They are not existing projects developed or implemented by Government in-house staff. The outsourcing of these new IT projects does not involve any post deletion within the Government or savings in expenditure on the staff concerned, nor will it lead to a surplus of manpower within the department.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

<u>Head</u>: 47 – Information Technology Services Department   <u>Subhead</u> (No. & title):

<u>Programme</u>:   (3) IT in the Community

<u>Controlling Officer</u> :   Director of Information Technology Services

<u>Director of Bureau</u> :   Secretary for Commerce, Industry and Technology

<u>Question</u> :

Please provide details of the work undertaken last year to promote the wider adoption of open source software in the community and business sector. What was the expenditure involved?

<u>Asked by</u> :   Hon. CHU Yu-lin, David

<u>Reply</u> :

Last year the Government organised the following events to promote the use of open source software (OSS) in the community and the business sector:

a.   Between September and December 2003, the Information Technology Services Department (ITSD), the Hong Kong Productivity Council (HKPC) and the Hong Kong Linux Association (HKLIA) co-organised the "Linux Business Adoption Campaign" to promote the use of OSS. Government funding amounted to $100,000.

b.   The SME Development Fund allocated $890,000 to establish the Hong Kong Linux Resource Centre in July 2003 to provide support services for small and medium enterprises on OSS adoption.

c.   In order to gauge the usage of OSS in Hong Kong so as to formulate further promotional policies, Commerce, Industry and Technology Bureau (CITB), ITSD and HKPC jointly conducted a survey between November 2003 and February 2004. The survey results are expected to be released in April this year. The Government expenditure incurred was $180,000.

d.   The "Train-the-Trainer Programme" co-organised by the Education and Manpower Bureau and ITSD aimed to provide teachers and students with IT training and to enhance their skills in IT applications. The programme included sessions on OSS including Linux. The programme was sponsored by IT companies and no expenditure was incurred by the Government.

e.	The "IT Easy Link" programme co-organised by CITB, ITSD and the Hong Kong Computer Society has extended its services since July 2003. In addition to the free hotline enquiry service on IT application offered to the public, similar enquiry service and face-to-face consultation service are now made available to the business sector. Both categories of services cover the use of OSS. The programme's annual expenditure of $4.17 m was borne by the Government.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

<u>Head</u>:   47 – Information Technology Services Department   <u>Subhead</u> (No. & title):

<u>Programme</u>:

<u>Controlling Officer</u> :   Director of Information Technology Services

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<u>Director of Bureau</u> :   Secretary for Commerce, Industry and Technology

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<u>Question</u> :

Have contract staff been recruited via personnel management firms? If yes, how many personnel management services contracts have been awarded to date? What are the cost and term of such contracts, and how many employees are engaged by the contractors and what are their salaries? Has the cost-effectiveness of recruiting contract staff through personnel consultancy firms been assessed?

<u>Asked by</u> :   Hon. LEE Cheuk-yan

<u>Reply</u> :

The Information Technology Services Department employs personnel management firms to provide information technology (IT) contract staff services to government departments. The Government has awarded contracts on IT contract staff services to eight contractors. The estimated cost of the IT contract staff services throughout the 30-month contract term is about HK$900 million, while the actual expenditure will depend on the actual requirements of government departments. As at the end of February 2004, government departments have engaged a total of 836 contract staff under such arrangement. As the related personnel are staff of the contractors and not the Government, we do not have information about their salaries.

The arrangement allows government departments to adjust their IT manpower levels more dynamically in response to the peaks and troughs of demand, while containing the growth of the civil service. It also significantly reduces the administration costs incurred by individual departments in recruitment, training and staff administration. In addition to the salaries paid to the contract staff, the contractors are required to provide a total service package which covers, among other things, mandatory provident fund contribution, insurance, and all kinds of fringe benefits for the contract staff such as pay for sick leave and vacation leave. We believe it is a cost-effective arrangement. Nevertheless, a review will be conducted around the second quarter of 2004 to determine the future contract arrangements when the contract expires at the end of 2004.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

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 $506.5m under Programme 4701-4703 in 2004-05, 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 in 2003-04, and the consultancy fees of these studies.

Asked by : Hon. LI Ka-cheung, Eric

Reply :

     In 2004-05, ITSD has not planned to commission any consultancy studies.

     In 2003-04, ITSD completed the consultancy study on the department's Change Management Programme. The total cost of the consultancy study is $4.574 m. The consultancy study was funded by the Financial Services and the Treasury Bureau under Subhead 182 of Head 106. The first stage of the expenditure ($2.287 m) was paid in 2002-03 while the remaining expenditure of $2.287 m had also been paid in 2003-04. The study does not involve recurrent expenditure.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

Examination of Estimates of Expenditure 2004-05
CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION

Reply Serial No.

CITB(CT)047

Question Serial No.

0764

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 :

(1)   How many events were organised under the "IT Hong Kong" campaign in the fiscal year 2003-04? What was the total expenditure involved? What is the estimated expenditure for organising similar events in 2004-05?

(2)   Please elaborate on the measures to be adopted in 2004-5 to assist people with disabilities to make use of information technology in addressing the issue of digital divide. What is the total expenditure involved?

Asked by :   Hon. LI Ka-cheung, Eric

Reply :

(1)   In 2003-04, the Government organised a series of events under the "IT Hong Kong" campaign to promote the use of information technology in the community to help build a digitally inclusive society.   The details and expenditure of these events are as follows:

Project Items	Expenditure ($m)
➢ Academic Quiz for Secondary Schools	0.40
➢ "IT Hong Kong" website maintenance and operation plus biannual IT security risk assessment and audit exercise	0.45
➢ Visits to IT facilities for IT Pioneers	0.01
➢ IT Awareness Programmes for parents of primary students	0.40
➢ IT Awareness Programme for Districts	1.00
➢ IT Awareness Programme for people with disabilities	1.82
➢ District IT promotional activities	0.23
➢ IT Easy Link services (July 2003 to June 2004)	4.17

Total Expenditure ($m)	8.48

In 2004-05, the Government will continue to run the "IT Hong Kong" campaign. The details of the events and the expenditure required are as follows:

Project Items	Estimated Expenditure ($m)
➢ Academic Quiz for Secondary Schools	0.40
➢ "IT Hong Kong" website maintenance and operation	0.30
➢ Visits to IT facilities for IT Pioneers	0.015
➢ IT Awareness Programmes for parents of primary students	0.40
➢ IT Awareness Programme for people with disabilities	1.40
➢ Promotion of Open Source Software to secondary students	0.30
➢ IT Easy Link services (July 2004 to June 2005)	4.20
➢ Radio programmes	0.50

Total Estimated Expenditure ($m)	7.515

(2) For 2004-05, details and expenditure of governmental measures to help the disabled to address the issue of digital divide are as follows:

Project Items	Estimated Expenditure ($m)
➢ IT Awareness Programme for people with disabilities	1.40
➢ Holding Web Accessibility seminars	0.15
➢ Providing training courses for webmasters to promote the concept of "barrier-free web design" and to encourage the production of websites for the vision impaired	0.03
➢ Setting-up websites and preparing course materials to help the disadvantaged groups in IT learning	0.40
➢ Implementing pilot sound version of selected materials in 4 government websites to help the vision impaired to access information	1.91
➢ Developing and setting-up voice short message service (Voice SMS) to help the vision impaired to listen to the messages	1.00
➢ Installing Cantonese screen readers in some Community Cyber Points to help the vision impaired to use the facilities	0.98
➢ Providing financial assistance to people with disabilities to purchase PCs	1.00

Total Estimated Expenditure ($m)	6.87

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

<u>Head</u>:   47 – Information Technology Services Department   <u>Subhead</u> (No. & title):

<u>Programme</u>:   (1) Use of IT in Government

<u>Controlling Officer</u> :   Director of Information Technology Services

<u>Director of Bureau</u> :   Secretary for Commerce, Industry and Technology

<u>Question</u> :

Regarding the completion of the ITMU formation initiative, please indicate:

(a) In 2004-05, ITSD will assist which bureaux/departments to set up ITMUs and will help which bureaux/departments to formulate their IT Plans? What are the details of these initiatives?

(b) What is the estimated expenditure required for ITSD to implement these initiatives?

<u>Asked by</u> :   Hon. SIN Chung-kai

<u>Reply</u> :

(a)   As at March 2004, ITSD has assisted 59 bureaux/departments to set up a total of 49 IT Management Units (ITMUs). Apart from encouraging and helping the remaining bureaux/departments to establish their own ITMUs, ITSD will continue to serve them through pooled resources, either in the form of in-house or contract staff. The longer term target is that all bureaux/departments will be supported by ITMUs and will reduce their need for ITSD's support to provide IT management services to them on a day to day basis for their operational systems. As for the formulation of IT Plans, the Government's established policy is to encourage bureaux/departments to plan their IT requirements in a systematic and strategic manner. At present, 53 bureaux/departments have had their IT Plans, with another 6 departments already in progress or have plans for developing an IT Plan.

(b)   ITSD will re-deploy existing resource to undertake these initiatives. No additional expense will be incurred.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

Reply Serial No.
CITB(CT)049

Question Serial No.

1577

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

Programme: (1) Use of IT in Government

Controlling Officer :   Director of Information Technology Services

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding the outsourcing of data centre services for departmental information systems, please indicate:

(a)   How many ITSD staff were responsible for the provision of data centre services in 2003-04? What was the expenditure involved?

(b)   With the outsourcing of such services, what savings can be expected? What are the posting arrangements for the ITSD staff previously responsible for the services?

Asked by :   Hon. SIN Chung-kai

Reply :

(a)   In 2003-04, 32 ITSD staff were involved in managing, operating and supporting the hosting of information systems for government departments in ITSD's data centres. The total salary for the year was around $9.3 million.

(b)   The main objectives of outsourcing the above data centre services are to utilize resources more effectively and to foster the development of data centre services locally. ITSD intends to initiate public procurement procedures in 2004-05 with a view to selecting the most cost-effective outsourcing model and service provider. The level of resource savings will be established when the specific outsourcing arrangements are finalised. We will establish proper human resources management arrangements for the existing ITSD staff involved. We will also maintain effective communication with staff throughout this process.

Name in block letters   Alan Wong

Post Title   Director of Information Technology Services

Date   25.3.2004

<table>
<tr>
<td colspan="2">Examination of Estimates of Expenditure 2004-05
CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION</td>
<td>Reply Serial No.
CITB(CT)050
Question Serial No.
1578</td>
</tr>
</table>

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

Programme: (1) Use of IT in Government

Controlling Officer :   Director of Information Technology Services

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :

Regarding the initiative "to promote the wider use of wireless and mobile services technologies within the Government", please indicate:

(a)   what are the specifics of the initiative? ITSD will start with which bureaux/departments and will promote what types of wireless and mobile services and technologies first? What are the criteria for the selection?

(b)   what is the estimated expenditure for the above promotional work?

Asked by :   Hon. SIN Chung-kai

Reply :

(a)   The Director of Information Technology Services is leading a task force to plan and coordinate the promotion of awareness and adoption of wireless and mobile services and technology (WMST) in the Government and enterprises in Hong Kong. To provide a cross-sector focus to facilitate the development and adoption of the WMST solutions, the task force includes representatives from the IT and wireless technology industry sectors, the Hong Kong Productivity Council as well as the Hong Kong Wireless Development Centre (HKWDC). The action programme of the Task Force covers awareness building and education as well as the identification of application opportunities. The ITSD and the HKWDC in close collaboration will launch a programme of promotional events both within the Government and in the community in 2004 and will identify pilot implementation projects for the adoption of WMST. ITSD will promote the adoption of technologies that can help enhance the operational efficiency of government departments. Examples include the adoption of mobile email technology and radio-frequency identification (RFID) technology.

(b)   No additional expenses will be incurred in the promotion of WMST, which is part of the ongoing efforts in the promotion of the adoption of IT in the Government and the community. As and when pilot implementation projects are identified, the necessary resources will be sought from the Capital Works Reserve Fund Head 710 Computerisation under established procedures.

Name in block letters   Alan Wong

Post Title   Director of Information Technology Services

Date   25.3.2004

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 :

Regarding the initiative "to assist CITB in the implementation and promotion, both locally and overseas, of the 2004 Digital 21 Strategy", please indicate:

(a)   what are the specifics of the local and overseas promotional work? Which overseas regions have been targeted for launching the 2004 Digital 21 Strategy promotional campaign?

(b)   what is the estimated expenditure for the promotional work?

Asked by :   Hon. SIN Chung-kai

Reply :

(a)   The Government will endeavour to promote the 2004 Digital 21 Strategy, both locally and overseas, by various means. These include the release of relevant information via the Digital 21 website, publication and distribution of the strategy text and leaflets to the local community, related international institutions and overseas governmental bodies and chambers of commerce. Officials concerned from the CITB and ITSD will also promote the 2004 Digital 21 Strategy when they attend IT conferences, seminars, exhibitions and other promotional events, both locally and overseas.

(b)   Apart from the publication of the strategy text and leaflets that cost about $220,000 for their design and printing work, the Government has not allocated special provision to fund the promotional campaign.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

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 :

Concerning the "support to the computer recycling programme run by non-government organisations (NGOs)", please advise:

(a)   what are the details of such support? What kind of support is made available to NGOs?

(b)   In 2003-04, what was the actual expenditure incurred? What is the estimated expenditure for 2004-05?

Asked by :   Hon. SIN Chung-kai

Reply :

(a)   Government support to computer recycle programmes run by NGOs includes provision of financial assistance and donation of used computers. For instance, in the programme "CompuAid" organized by the Hong Kong Council of Social Service, Government provided funding of $200,000 and donated around 1,000 sets of personal computers in 2001-02. In 2002-03, Government provided funding assistance of $300,000 to meet the programme's expenses in 2003-04.

(b)   In 2003-04, a provision of $350,000 was allocated to the "Digital Inclusion Action" campaign organised by the Salvation Army in 2004. The services provided by this programme included recycling of used computers for redistribution to the needy.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

<u>Head</u>:   47 – Information Technology Services Department   <u>Subhead</u> (No. & title):

<u>Programme</u>:   (1) Use of IT in Government

<u>Controlling Officer</u> :   Director of Information Technology Services

<u>Director of Bureau</u> :   Secretary for Commerce, Industry and Technology

<u>Question</u> :
Please provide details of the initiative to promote the wider use of wireless and mobile services technologies within the Government. What are the resources and expenditure involved?

<u>Asked by</u> :   Hon. YOUNG Howard

<u>Reply</u> :
        The Director of Information Technology Services is leading a task force to plan and coordinate the promotion of awareness and adoption of wireless and mobile services and technology (WMST) in the Government and enterprises in Hong Kong. To provide a cross-sector focus to facilitate the development and adoption of the WMST solutions, the task force includes representatives from the IT and wireless technology industry sectors, the Hong Kong Productivity Council as well as the Hong Kong Wireless Development Centre (HKWDC). The action programme of the Task Force covers awareness building and education as well as the identification of application opportunities.   The ITSD and the HKWDC in close collaboration will launch a programme of promotional events both within the Government and for the community in 2004 and will identify pilot implementation projects for the adoption of WMST.

        No additional expenses will be incurred in the promotion of WMST, which is part of the ongoing efforts in the promotion of the adoption of IT in the Government and the community. As and when pilot implementation projects are identified, the necessary resources will be sought from the Capital Works Reserve Fund Head 710 Computerisation under established procedures.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

Examination of Estimates of Expenditure 2004-05 **CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION**	Reply Serial No. CITB(CT)054
	Question Serial No. 0244

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 :

Under Matters Requiring Special Attention in 2004-05, it is stated that some surveys will be co-ordinated to monitor IT adoption in the business sector and the wider-community. How many surveys will be co-ordinated and how much provision will be allocated in respect of each survey?

Asked by :   Hon. YOUNG Howard

Reply :

        For year 2004-05, Information Technology Services Department will co-ordinate with parties concerned to conduct the following three Information Technology (IT) adoption surveys:

a.   IT Usage and Penetration in the Business Sector
        The objective of this survey is to collect information on IT usage and penetration among Hong Kong's companies of varying sizes including small and medium enterprises. The results would be useful for reference in the development of IT strategy in Hong Kong. The provision allocated will be $1.54 m.

b.   Household Survey on IT Usage and Penetration
        It is necessary to collect information on IT usage and penetration among the households so as to provide a better understanding of the latest development of IT in the community. The provision allocated will be $1.3 m.

c.   Digital Inclusion Index Survey
        The objective of the survey is to measure the Digital Divide situation among specific community groups, such as elderly, women, disabled persons, etc. so as to complement the Household Survey on IT Usage and Penetration. The provision allocated will be $ 1 m.

Name in block letters   Alan Wong

Post Title   Director of Information Technology Services

Date   25.3.2004

<table>
<tr><td rowspan="3">Examination of Estimates of Expenditure 2004-05
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**</td><td>Reply Serial No.
CITB(CT)055</td></tr>
<tr><td>Question Serial No.</td></tr>
<tr><td>0245</td></tr>
</table>

Head: 47 – Information Technology Services Department

Subhead (No. & title):   000 Operational expenses

Programme:

Controlling Officer :   Director of Information Technology Services

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Director of Bureau :   Secretary for Commerce, Industry and Technology

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Question :

With regard to the Subhead 000 Operational expenses, the estimate of salaries for 2004-05 is $45,058,000 (13%) lower than the revised estimate of 2003-04. However, the estimate of Mandatory Provident Fund in 2004-05 remains the same as those in 2003-04. Please account for this estimation.

Asked by :   Hon. YOUNG Howard

Reply :

        The provision of $50,000 for the Mandatory Provident Fund under subhead 000 Operational expenses in 2004-05 is to cater for some civil servants serving the department who are on terms which do not attract pension benefits under the Pensions Ordinance (Cap 89) or the Pension Benefits Ordinance (Cap 99). These officers are subject to the provisions of the Mandatory Provident Fund Schemes Ordinance (Cap. 485). We anticipate that the provision required in 2004-05 for the relevant staff would be more or less the same as 2003-04.

Name in block letters	Alan Wong
Post Title	Director of Information Technology Services
Date	25.3.2004

	Reply Serial No.
CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION	CITB(CT)056
	Question Serial No.
	0927

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

Programme: (1) Radio
                      (2) Public Affairs Television
                      (4) New Media

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: Under Programme (1), minority audience only accounts for 25% of the total audience of RTHK. On what criteria does the government base in defining "minority audience"?

Asked by: Hon. CHENG Kar-foo, Andrew

Reply: In addition to the provision of news, current affairs and entertainment programmes, RTHK has pledged to serve special interest groups, such as classical music, arts and culture, Cantonese opera, Chinese regional operas, health information for the elderly and Putonghua programmes. Comparatively speaking, their audience size is small and is grouped as minority interest audience.

According to the latest audience survey findings, minority audience accounts for 25% of RTHK's total audience.

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

<table>
<tr><td rowspan="3">Examination of Estimates of Expenditure 2004-05

CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION</td><td>Reply Serial No.
CITB(CT)057</td></tr>
<tr><td>Question Serial No.
0928</td></tr>
</table>

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

Programme: (1) Radio
                       (2) Public Affairs Television
                       (4) New Media

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: Under Programme (1), 94 complaints were received in 2003. What are RTHK's procedures in handling these complaints? Among the complaints, how many of them were found substantiated? Among the substantiated cases, what were the details and conclusion of each case? If a complaint is found substantiated, what policy has RTHK adopted to respond?

Asked by: Hon. CHENG Kar-foo, Andrew

Reply: Whenever there is a complaint, the subject matter and complainant particulars will first be recorded. Complaints related to programme production will instantly be referred to the channel head or producer for follow-up. The subject officer will contact the complainant by telephone, or give a written reply on his findings within 10 days. If the complaint refers to broadcast reception, the case will be relayed to our engineering division for follow-up. Our engineer will telephone, or make a home visit to help adjust the complainant's reception signal.

Among the 94 complaints received last year, 19 were found substantiated, of which 12 were related to AM frequency reception problems which had been referred to our engineering division. Reception was improved eventually. As for the remaining 7 cases, 3 of them were ruled substantiated by either the Television and Entertainment Licensing Authority or the Broadcasting Authority. They were classified as "minor breach" and RTHK was advised to observe relevant regulations. For the remaining 4 substantiated cases, RTHK tendered apologies to the complainants in writing.

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

<u>Head</u>: 160 Radio Television Hong Kong　　　<u>Subhead</u> (No. & title):

<u>Programme</u>:　　　　　(1) Radio
　　　　　　　　　　　(2) Public Affairs Television
　　　　　　　　　　　(4) New Media

<u>Controlling Officer</u>:　　Director of Broadcasting

<u>Director of Bureau</u>:　　Secretary for Commerce, Industry and Technology

<u>Question</u>: How many hours of special programmes will be produced for the 2004 Legislative Council Election?

<u>Asked by</u>: Hon. CHENG Kar-foo, Andrew

<u>Reply</u>: According to our initial plan, Radio Division will produce "Election Forums", "Election Platforms", "Election Reports", and discussion programmes. Public Affairs Television will also put together programmes on "Election Forums", "Election Platforms" and documentaries. Our New Media Unit will launch a Legislative Council Election homepage to cover election updates and webcast real time specials produced by radio and television.

The total output hours of election specials are estimated to exceed 40 hours, pending confirmation of production details.

Name in block letters　　　CHU Pui-hing

Post Title　　Director of Broadcasting

Date　　26.3.2004

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

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

Programme: (1) Radio
                         (2) Public Affairs Television
                         (4) New Media

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: Will RTHK continue to produce "The 23rd Hong Kong Film Awards Presentation Ceremony"? If no, what is the reason? Will RTHK render its support to the local film industry in other forms? If yes, what are the details?

Asked by: Hon. CHENG Kar-foo, Andrew

Reply: Over the years, "Hong Kong Film Awards Presentation Ceremony" has always been coordinated and produced by different media organizations. From 2001 to 2003, RTHK has produced the ceremony for three consecutive years and has materialised the establishment of the "Outstanding Young Director Award". This year, RTHK will continue to co-organize "The 23rd Hong Kong Film Awards Presentation Ceremony", with Radio Division assisting in the publicity and live broadcast of the ceremony.

To promote the local film industry, RTHK will produce a series of 4 programmes on "Hong Kong Film Month Special" in April. The programmes will cover the overseas roving exhibition week of Hong Kong movies, the opening ceremony of the Avenue of Stars in Hong Kong, the International Film Festival, etc. Towards the end of April, RTHK will co-organize with the Art Centre a special programme, "Hong Kong New Wave Cinema", to showcase new productions made by independent film makers.

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

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

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: During 2004-05, RTHK will produce programmes to encourage voter turnout in the 2004 Legislative Council Election. What are the details and costs of these programmes?

Asked by: Hon. LAU Wai-hing, Emily

Reply: To promote the voter registration campaign, RTHK will team up with the Constitutional Affairs Bureau (CAB) to launch an opening ceremony and carnival on 3 April. The programme will be broadcast by RTHK, RTHK on Internet, ATV Home and TVB Jade channels. Funded and organized by CAB, the production cost of the television coverage is estimated to be about $150,000.

Our regular television and radio programmes will also help to encourage citizens to register as voters and to vote. RTHK is at the planning stage as regards production of election specials. The format includes policy platforms, documentaries, forums, election updates, etc., totalling an output of 15 hours. The hourly cost of documentaries and forums is $443,400 and $344,400 respectively.

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

<table>
<tr><td rowspan="3">Examination of Estimates of Expenditure 2004-05

CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION</td><td>Reply Serial No.

CITB(CT)061</td></tr>
<tr><td>Question Serial No.</td></tr>
<tr><td>0101</td></tr>
</table>

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: To promote civic education in 2003/04, RTHK has launched forums and documentaries on the District Council Election to encourage voter turnout. What are the cost per hour and the proportion of these programmes in their programme strands? How do these figures compare with the sum allocated to programmes to promote the 2004 Legislative Council Election?

Asked by: Hon. LAU Wai-hing, Emily

Reply: During 2003-04, RTHK has produced three 30-minute District Council Election documentaries, "Community Youth Legends", for young people and one "Hong Kong Connections" special to publicise the District Council Election. On election day, RTHK has put together three 5-minute "Election Update" to report election news and boost voter turnout. The hourly cost of these documentaries was $412,800. RTHK has also produced nine 30-minute election forums for candidates. The hourly cost of these forums was $345,400. Election programmes were broadcast on ATV, TVB and Cable TV, and webcast live on RTHK on Internet. Forums were also relayed on Radio 1.

The above programmes represent 9.5% of the programmes produced under the "Civic Education" category.

As RTHK is still in process of planning its production for this year's Legislative Council Election, which includes policy platforms, documentaries, forums and election updates, it is not yet able to compare the provision required with that of the 2003 District Council Election. However, it is estimated that the production costs will be comparable.

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

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

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

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: During 2004-05, RTHK's Radio Division will relaunch digital sound broadcasting trials. What are the details of this testing work and how much is the cost? The provision in 2004-05 has been decreased by $9 million as compared to the revised estimate in 2003-04. Besides the reduction in operating expenditure to deliver efficiency savings and a net deletion of 19 posts, how does RTHK plan to reallocate resources to cover the cost of the testing work?

Asked by: Hon. LAU Wai-hing, Emily

Reply: The digital sound broadcasting trials launched in 2004-05 cover two modes: Digital Radio Mondiale (DRM) and Digital Audio Broadcasting (DAB).

The DRM trial is targeted at improving AM transmission to provide high-quality services to the audience. The trial which took place in March 2004 cost about $350,000, 90% of which has been covered in the 2003-04 budget. RTHK has also made plans to relaunch DAB trials and will conduct a DAB VHF Band III trial this summer. The system has been adopted by many European broadcasters on a limited scale. The cost of the test is about $800,000, mainly for the procurement of transmitters and related equipment.

As mentioned above, the total expenditure on the two digital sound broadcasting trials in 2004-05 is about $840,000, accounting for 0.4% of the total expenditure of Radio Division in the year. No additional staff are required. Though RTHK has to face a reduction in operational expenditure and deletion of posts, the amount can be absorbed by re-deploying existing resources. Existing services and hours of output in Radio Division will not be adversely affected.

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

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

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

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: In connection with 'Job-related allowances' under subhead 000 Operational Expenses, please explain why the revised estimate in 2003-04 was substantially higher and why the increase continues in 2004-05. Please give details of the jobs concerned and the titles of different types of allowances.

Asked by: Hon. NG Leung-sing

Reply: The higher revised estimate for "Job-related allowances" in 2003-04 is due to the additional expenditure on typhoon allowance. Expenditure on typhoon allowance depends on the number of typhoon occurring in a year and its duration. The estimate for "Job-related allowances" in 2003-04 is $104,000, $50,000 of which is allocated for typhoon allowance. As there were 2 cases when typhoon signal no. 8 or above was hoisted in 2003-04, the actual payment of typhoon allowance was $209,000. Hence, the estimate for "Job-related allowances" in 2003-04 has been revised to $239,000.

The estimate for "Job-related allowances" in 2004-05 is $244,000 which is computed on the basis of the revised estimate for 2003-04 and the allocation for other allowances.

When typhoon signal no. 8 or above is in effect, allowances have to be paid to the on-duty staff. They perform broadcasting, news coverage and reporting duties, as well as providing transport, translation and production services.

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

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

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

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: Please give a breakdown of the estimated expenditures of the seven channels under Programme (1) Radio in years 2003-04 and 2004-05.

Asked by: Hon. NG Leung-sing

Reply: The estimates of the seven channels of Radio Division are listed as follows:

	2003-04 Estimates ($ m)	2004-05 Estimates ($ m)
Radio 1	33.9	31.6
Radio 2	30.2	28.8
Radio 3	19.2	16.3
Radio 4	19.1	16.5
Radio 5	19.5	17.7
Radio 6	0.3	0.3
Radio 7	18.0	16.4

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

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

Reply Serial No.

CITB(CT)065

Question Serial No.

0273

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

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: Under Programme (1) Radio, are there any set targets to cut down the expenditure of various channels' operational costs? If yes, please give details. If no, why?

Asked by: Hon. NG Leung-sing

Reply: Overall speaking, the saving targets in Radio Division for 2004-05 will be achieved mainly through deletion of civil service posts and reduction of related expenses. The total expenditure for the seven channels will be reduced by $12.6 million, or 9%, when compared with the 2003-04 original estimate.

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

		Reply Serial No.
CONTROLLING OFFICER'S REPLY TO INITIAL WRITTEN QUESTION		CITB(CT)066
		Question Serial No.
		0274

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

Programme: (1) Radio

Controlling Officer: Director of Broadcasting

Director of Bureau: Secretary for Commerce, Industry and Technology

Question: Under Programme (1) Radio, please provide a breakdown of the actual expenditure of the Newsroom in 2002-03 and its estimated expenditures in 2003-04 and 2004-05.

Asked by: Hon. NG Leung-sing

Reply: A breakdown of the Newsroom's expenditure is listed as follows:

	2002-03 Actual ($ m)	2003-04 Estimates ($ m)	2004-05 Estimates ($ m)
Operating Account			
Personal Emoluments	45.0	41.3	36.9
Technical Services Agreement	8.3	7.7	9.4
Temporary Staff	5.3	5.2	4.1
General Departmental Expenses	12.8	11.2	15.7
Total, Operating Account	**71.4**	**65.4**	**66.1**
Capital Account	**1.6**	**3.4**	**1.7**
Total	**73.0**	**68.8**	**67.8**

Name in block letters   CHU Pui-hing

Post Title   Director of Broadcasting

Date   26.3.2004

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

Programme: (2) Film Services

Controlling Officer :   Commissioner for Television and Entertainment Licensing

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :   From 2001-02 to 2003-04, what training programmes did the government provide for the film workers? What was the expenditure involved in each programme? Please give the number of film workers who completed each training programme in a year? Of those who completed the programmes, how many can successfully develop their career in the film industry afterwards? Also, please give a detailed account of the training programmes for 2004-05 and the amount of funding required.

Asked by :   Hon. CHAN Kwok-keung

Reply :

        The Television and Entertainment Licensing Authority (TELA) provides training programmes for workers in the film industry mainly through the Film Development Fund (FDF). In the three financial years of 2001-02 to 2003-04, the FDF sponsored a total of 9 training programmes, for a total of 749 participants. Of these, 6 programmes were organized for 717 in-service participants mainly from within the film industry. These participants continued their career in the area of film production after completion of the programmes. The other two training programmes, with 32 participants, mainly aimed at providing training for new blood. 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 furthered their studies in subjects relating to film production. The remaining programme provides subsidies for the film industry in procurement of teaching equipment needed for the Training Programme for New Film Workers. It is a three-year programme commencing in April 2004. The number of newcomers trained is estimated at about 240 each year. Details of the number of participants and the amount of funding for the 9 programmes are listed in Annex I.

        In addition, TELA also liaises closely 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 recovered by the tertiary institutions directly from the participants. Details of the training programmes for 2001-02 to 2003-04 are provided in Annex II.

        Although the FDF will cease to operate on 31 March 2004, the government has taken into account the opinions given by the industry and suggests a funding of about $800,000 in 2004-05 to provide for film workers a retraining course on advanced digital technology applicable to the visual effects of films, so as to further enhance their technical and professional level. In addition, TELA will continue to encourage the tertiary institutions to organize various training programmes to meet the needs of the film industry.

Name in block letters	Ms. Lorna WONG
Post Title	Commissioner for Television and Entertainment Licensing
Date	23.3.2004

Training Programmes Sponsored by the Film Development Fund (2001-02 to 2003-04)

	Programme	No. of Participants	Date	Funding
1.	Richard Williams - Workshop for Professional Animators - Seminar for Professional Animators	 136 118	 July 2001 July 2001	$799,600
2.*	Overseas Summer Study Programme on Computer Animation and Visual Effects	8 (8)	August 2001	$560,630
3.*	Computer Animation and Special Effects Training Programme for Young Animators	24 (24)	March to August 2002	$979,460
4.	Summer Overseas Training on Digital Movie and Visual Effects Production	10 (3)	July 2002	$738,860
5.	LAB24P: An Exploration in Digital Making	4	November 2002	$72,048
6.	New Development of Surround Sound in Cinema	1[#]	February 2003	$27,455
7.	High Definition Cinematography Workshop	400	January to February 2004	$1,877,818
8.	Martial Art & Related Animation Knowledge for Animators	48	January to March 2004	$282,274
9.	"Training Programme for New Film Workers" (Procurement of Teaching Equipment)[##]	720	April 2004 to March 2007	$1,207,200

Remarks： The figure in ( ), provided by the organisers, refers to the number of participants who intended to start a career in the film industry. The total number of participants for programmes 1 to 8 is 749. Programme 9 will commence in April 2004.

* The main purpose of programmes 2 and 3 is to train new blood for the industry.
\# The trainee shared his experience and what he had gained from the training programme with about 50 persons in the industry after completion of the programme.
\#\# Operating expenditure of the programme is borne by the Vocational Training Council, Hong Kong Institute of Vocational Education and trainees.

Taining Programmes Co-organised by FSO and Tertiary Institutions (2001-02 to 2003-04)

	Organiser	Programme	No. of Participants	Date
1.	Multimedia Innovation Centre, Poly U	Introductory Workshop on Computer Animation	9 and 8 (2 classes)	March 2001 April 2001
2.	Multimedia Innovation Centre, Poly U	After Effects – Digital Editing Workshop	16	December 2001
3.	School of Continuing Studies, CUHK	Adobe Premiere 6.0 - Digital Editing Workshop	16	June 2002
4.	Hong Kong Institute of Vocational Education (Kwun Tong)	Avid DV Express Workshop	16	August 2003

Head: 180 Television and Entertainment   <u>Subhead</u> (No. & title):
            Licensing Authority

<u>Programme</u>:   (2) Film Services

<u>Controlling Officer</u> :   Commissioner for Television and Entertainment Licensing

<u>Director of Bureau</u> :   Secretary for Commerce, Industry and Technology

<u>Question</u> : What was the number of trade promotion materials relating to the film industry published with the facilitation of TELA in the past three years? What was the funding or expenditure involved?

<u>Asked by</u> :   Hon. CHAN Kwok-keung

<u>Reply</u> :

      Since 1999, the Film Services Office of the Television and Entertainment Licensing Authority has published the Film and Video Production Directory annually. The Directory provides information about local organisations engaged in film and video production, distribution and promotion, including correspondence details. In the past three years, the total expenses of publishing the Directory amounted to $260,000, which was borne by the government.

Name in block letters	Ms. Lorna WONG
Post Title	Commissioner for Television and Entertainment Licensing
Date	22.3.2004

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

Programme: (2) Film Services

Controlling Officer :   Commissioner for Television and Entertainment Licensing

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question : How much resources or funding did the government allocate for sponsoring the Hong Kong Film Awards in the past three years? Has any comparison been made for the cost effectiveness between the Hong Kong Film Awards and other similar local activities?

Asked by :   Hon. CHAN Kwok-keung

Reply :

        In the past three years, the government allocated a total of $7.05m for sponsoring the annual Hong Kong Film Awards Presentation Ceremony through the Film Development Fund, namely:

- The "20th Hong Kong Film Awards Presentation Ceremony" in 2001 with an approved funding of $2.06m;
- The "21st Hong Kong Film Awards Presentation Ceremony" in 2002 with an approved funding of $2.50m; and
- The "22nd Hong Kong Film Awards Presentation Ceremony" in 2003 with an approved funding of $2.49m.

        The Hong Kong Film Awards Presentation Ceremony is the biggest and most prestigious film awards presentation activity in Hong Kong. It is widely reckoned by both the local film industry and members of the public. As the scale and target of the other film awards presentation events are different from those of the Hong Kong Film Awards Presentation Ceremony, no factual data or analysis of cost-effectiveness is available for comparison.

Name in block letters	Ms. Lorna WONG
Post Title	Commissioner for Television and Entertainment Licensing
Date	22.3.2004

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

Reply Serial No.

CITB(CT)070

Question Serial No.

0931

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 : For the maintenance of a resource centre on film production services in Hong Kong, what kinds of services are provided by the centre? How many people made use of the services provided by the centre in 2003?

Asked by : Hon. CHENG Kar-foo, Andrew

Reply :

The resource centre of the Film Services Office (FSO) was set up in 1998. It provides information about film development and location shooting, such as a brief introduction to the Film Development Fund, sites for location shooting, regulations and application procedures on location shooting, a film production services directory, information on local films, production guides, etc. The film industry and members of the public can get access to such information. Most of the information provided by the centre has been uploaded to the website of FSO for easy access. 271 864 people logged on to the website in 2003, and a total of 159 people visited the centre in person and made use of the services provided.

Name in block letters   Ms. Lorna WONG

Post Title   Commissioner for Television and Entertainment Licensing

Date   22.3.2004

<table>
<tr><td rowspan="2">Examination of Estimates of Expenditure 2004-05
CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION</td><td>Reply Serial No.
CITB(CT)071</td></tr>
<tr><td>Question Serial No.
1021</td></tr>
</table>

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

Programme: (2) Film Services

Controlling Officer : Commissioner for Television and Entertainment Licensing

Director of Bureau : Secretary for Commerce, Industry and Technology

Question : The film industry in Hong Kong scored considerable achievements last year. Both the Chief Executive and the Financial Secretary attach very great importance to the film industry. Why does the estimated financial provision for film services in 2004-05 decrease by 39.1% as compared with the original estimate for 2003-04?

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

Reply :

      The estimated financial provision for film services in 2004-05 is 39.1% lower than the original estimate for 2003-04 (18.4% lower than the revised estimate). This is mainly due to the fact that the Film Development Fund will cease to operate on 1 April 2004. Therefore the overall provision for this Programme also decreases. Besides, the Film Guarantee Fund has been in operation for nearly one year since its establishment in April 2003. Based on the experience in the past year, we expect that there should not be many default cases which may lead to calling of guarantee payment from the Fund by the Participating Lendng Institutions. Thus the estimated provision for the Fund in 2004-05 is adjusted downwards. The estimated total expenditure on the two Funds for 2004-05 is $10.11m lower than the original estimate for 2003-04.

Name in block letters   Ms. Lorna WONG

Post Title   Commissioner for Television and
Entertainment Licensing

Date   24.3.2004

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

Programme: (1) Broadcast Monitoring and Regulation

Controlling Officer :   Commissioner for Television and Entertainment Licensing

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question : Please give a detailed account of the expenditure on control and enforcement of legislation against the publication of obscene and indecent materials by electronic media and the Internet in the 2004-05 Estimates.

Asked by :   Hon. LI Ka-cheung, Eric

Reply :

    In the case of electronic media, if it is detected that licensed broadcasters have transmitted content of obscene and indecent 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 issued by the Broadcasting Authority. Taking the number of complaints (163 in total) processed by TELA in 2003 about obscene and indecent materials broadcasted by electronic media as an indicator, the estimated expenditure in 2004-05 is about $130,000.

    The transmission of obscene and indecent materials through the Internet comes under the ambit of the Control of Obscene and Indecent Articles Ordinance, which gives TELA the legal basis to exercise control. Taking the number of complaints (128 in total) processed by TELA in 2003 about the transmission of obscene and indecent materials through the Internet as an indicator, the estimated expenditure in 2004-05 is about $80,000.

Name in block letters	Ms. Lorna WONG
Post Title	Commissioner for Television and Entertainment Licensing
Date	25.3.2004

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

Programme: (2) Film Services

Controlling Officer :   Commissioner for Television and Entertainment Licensing

Director of Bureau :   Secretary for Commerce, Industry and Technology

Question :   TELA will 'study the feasibility of the proposal to set up the film script registration, film title registration and box office recording systems in Hong Kong to strengthen the infrastructural framework of the local film industry'. In this connection,

     (a)   please give a detailed account of the feasibility study and the amount of funding required.

     (b)   At the moment the film industry is also engaged in or is making preparations for the feasibility study. Will the government consider allocation of funds to sponsor the industry to carry out the work?

Asked by :   Hon. MA Fung-kwok

Reply :

(a)   The Film Services Office (FSO) of the Television and Entertainment Licensing Authority is currently studying these proposals, including the collection of information on the film script registration, film title registration and box office recording systems overseas. The study is expected to be completed in the middle of the year. Expenditure on the consultancy study of the film script registration and film title registration systems is about $260,000. The study of the box office recording system will be carried out by FSO itself.

(b)   These studies are carried out by FSO to meet the needs of the film industry. The film industry considers that there is still room for improvement in the transparency of the current local box office record and the film investment environment in respect of protection of intellectual property rights, such as film script and film title registration. The government will discuss the feasibility of the systems as well as the proposal of implementation with the film industry in due course.

Name in block letters	Ms. Lorna WONG
Post Title	Commissioner for Television and Entertainment Licensing
Date	23.3.2004