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Legislative Council

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Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 9 July 2007, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon Albert Jinghan CHENG, JP (Chairman)
Hon SIN Chung-kai, SBS, JP (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Albert CHAN Wai-yip
Hon Ronny TONG Ka-wah, SC

Member attending : Hon Jeffrey LAM Kin-fung, SBS, JP

Members absent : Dr Hon LUI Ming-wah, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP

Public officers attending : Agenda Item III

Mr Frederick S MA, JP
Secretary for Commerce and Economic Development

Mr Francis HO, JP
Permanent Secretary for Commerce and Economic Development (Communications and Technology)

Mr Howard DICKSON
Government Chief Information Officer

Ms Linda SO
Deputy Government Chief Information Officer
(Planning and Strategy)

Mr Stephen MAK, JP
Deputy Government Chief Information Officer
(Operation)

Agenda Item IV

Mr Howard DICKSON
Government Chief Information Officer

Ms Linda SO
Deputy Government Chief Information Officer
(Planning and Strategy)

Mr Stephen MAK, JP
Deputy Government Chief Information Officer
(Operation)

Ms Caroline FAN
Chief Systems Manager
(E-Government Policy and Development)
Office of the Government Chief Information Officer

Ms Jenny MAN
Senior Systems Manager
(E-Government Policy and Development)2
Office of the Government Chief Information Officer

Agenda Item V

Mr Stephen MAK, JP
Deputy Government Chief Information Officer
(Operation)

Mr John WONG
Assistant Government Chief Information Officer
(Infrastructure and Security)

Ms Ivy CHENG Shuk-Chun
Government Security Officer
Security Bureau

Mr David AU-YEUNG Man-keen
SEO (Emergency Support Unit)
Security Bureau

Clerk in attendance : Miss Erin TSANG
Chief Council Secretary (1)3

Staff in attendance : Ms Annette LAM
Senior Council Secretary (1)3

Ms Guy YIP
Council Secretary (1)1

Ms May LEUNG
Legislative Assistant (1)6

<u>Action</u>

I.   Confirmation of minutes of meeting
    (LC Paper No. CB(1)2033/06-07   -- Minutes of meeting held on 12 March 2007

    LC Paper No. CB(1)2034/06-07(01) -- List of outstanding items for discussion

    LC Paper No. CB(1)2034/06-07(02) -- List of follow-up actions)

    The minutes of the meeting held on 12 March 2007 were confirmed.

II.   Information paper issued since last meeting

2.   <u>Members</u> noted that no paper had been issued since the last meeting held on 11 June 2007.

III.   Briefing by the Secretary for Commerce and Economic Development

3.   The Chairman welcomed <u>Mr Frederick MA, Secretary for Commerce and Economic Development</u> (SCED) who was attending the Panel meeting for the first time after taking up the new appointment.   He invited SCED to brief the Panel on

policy areas of the Commerce and Economic Development Bureau relevant to the purview of the Panel.

4.   SCED thanked the Panel for the early opportunity on his ninth day in the new office to attend the meeting of the Panel to brief members on the policy areas under the purview of the Panel.   He said that advancement in information technology and broadcasting was of great importance to consolidating Hong Kong's leading position as a world digital city.   The Administration greatly valued the views of Legislative Council (LegCo) Members and would continue to maintain close communication with and seek the views of LegCo Members through various channels such as discussions at regular meetings and motion debates as well as providing written and supplementary information to written and oral questions from Members.

5.   Ms Emily LAU thanked SCED for attending the meeting.   While she appreciated that SCED had a busy and tight schedule overseeing a broad portfolio, she hoped that SCED would give priority to attendance at LegCo meetings and Panel meetings.   She opined that under the accountability system, policy secretaries of bureaux were held accountable to the public and to LegCo Members and had the responsibility to attend LegCo and panel meetings to address members' concerns and to answer questions raised by members.   Sharing a similar view, the Chairman hoped that, if circumstances permitted, SCED would attend the monthly regular Panel meeting as far as practicable to exchange views with members on policy issues under the purview of the Panel.

6.   In response, SCED reiterated that the Administration attached great importance to maintaining close communication with LegCo Members.   He said that as there was no deputy secretary and in view of the heavy workload and the wide range of policy matters that had to be attended to, he believed that members would understand that it might not always be possible for him to attend each and every Panel meeting in person.   He nevertheless pledged that as and when necessary, he would endeavour to attend Panel meetings in person, particularly meetings touching on policy issues, whenever time allowed.

Review on public service broadcasting and matters relating to Radio Television Hong Kong

7.   Referring to the recommendation of the Committee on Review of Public Service Broadcasting (the Review Committee) against the transformation of the Radio Television Hong Kong (RTHK) into a public broadcaster, Ms Emily LAU reiterated her concern whether the Administration would base its public consultation solely on the Review Committee's recommendations, i.e. excluding the option of RTHK's transformation into a public broadcaster. She further opined that any consultation in the context of the provision of public service broadcasting (PSB) in Hong Kong without a review of the future and role of RTHK would fail to serve its purpose.   She added that the issue of the corporatization of RTHK had been

discussed extensively in the 80s without any substantial progress. She called on the Administration not to evade its responsibility over the future of RTHK, and hoped that the matter could be resolved in the public consultation exercise to be conducted in the second half of 2007.   In this connection, Mr Albert CHAN cautioned that issues relating to the future and role of RTHK had remained unresolved for many years and, if handled improperly, would lead to a political crisis.

8.   In response, SCED said that the Review Committee, comprising respected professionals and experts in the media and broadcasting fields, had devoted much time and efforts in conducting the review, seeking the views of international experts as well as different sectors of the community.   He said that the Administration would make reference to the Review Committee's report, the Panel's report on the study of PSB and other relevant materials, and would take note of the views expressed by the public and LegCo Members when setting out the Administration's views on the way forward for public consultation in the second half of 2007.

9.   Pointing out that many internationally renowned independent public service broadcasters were evolved from either government or semi-government broadcasting set-ups, Ms Emily LAU maintained that whether and how RTHK could be transformed into a public broadcaster should be included in the public consultation as one of the options for consideration.   While noting the Review Committee's standpoint that the setting up of a new independent public broadcaster from scratch should not be barred by a lack of precedent, Ms LAU called on the Administration to examine critically the Review Committee's recommendation. SCED noted members' concern and assured members that the Administration would widely engage all stakeholders and community at large to deliberate the issues involved before formulating the way forward.

10.   Referring to the recent media limelight on an incident involving the high echelon of RTHK's management, Mr Albert CHAN said that the incident had dealt a heavy blow to RTHK which was already fraught with problems.   He was concerned RTHK's staff morale and reputation were adversely impacted, and opined that swift action should be taken by the Administration to clarify the situation.

11.   In response, SCED informed members that a press conference would be held at 5:00 pm on the same day (9 July 2007) at which clarification would be made by the Director of Broadcasting himself.   He added that he believed that RTHK staff would continue to serve the public with professionalism.

Findings of the survey on the enforcement of the Control of Obscene and Indecent Articles Ordinance (COIAO) (Cap. 390) and the effectiveness of the existing regulatory regime under the COIAO

12. Ms Emily LAU noted with concern that upon the Administration's request, discussions on the survey findings on COIAO enforcement, originally scheduled for this meeting, had to be deferred to the next legislative session as the survey company commissioned by the Television and Entertainment Licensing Authority to gauge public view on the operation of COIAO would need more time to finalize the report. Referring to the controversy surrounding the publication of allegedly indecent articles by the Chinese University Student Press, Ms LAU raised concern about the yardsticks for classification of obscene and indecent articles and on whether the composition of Obscene Articles Tribunal could adequately reflect the prevailing social and moral values. She called on the Administration to review as a matter of priority the effectiveness of the existing regulatory regime under COIAO.

13. In this connection, Mr Albert CHAN remarked that during the time of the former Secretary for Commerce, Industry and Technology, the Administration was perceived to be relatively strict on the standard of morality, decency and propriety and had also projected the impression of curtailing freedom of speech and expression. He said that the Review Committee's recommendations relating to RTHK further reinforced the general public's impression that the Administration had intended to restrict the freedom of expression and to rein in editorial independence. He hoped that SCED, who had in the past demonstrated a willingness to maintain communication with various political parties, would adopt a more flexible and open mind-set and refrain from high-handedness on matters of morality as well as freedom of expression and speech.

14. SCED took note of members' views and said that the Administration attached great importance to matters touching on the control of obscene and indecent articles and would closely follow-up on the effectiveness of the existing COIAO regulatory regime.

Digitalization of media technologies and the development of public access channels

15. Mr Albert CHAN was concerned that in view of the global trend of digitalization of media technologies and the development of public access channels, Hong Kong was even more backward than the Mainland in this respect. He hoped that instead of safeguarding the interests of the few existing industry players, SCED would take bold and decisive actions to make digitalization a reality and open up air waves for public access as soon as practicable to cater to the needs of the public.

16. In response, SCED hoped that members would appreciate that time was needed to resolve the various issues. He pledged his best efforts to get the job done by maintaining close communication with LegCo Members and all sectors of the community, widely engaging all stakeholders in consultation, and be receptive to public views in formulating policies that were in line with public interests.

IV. Update on implementation of Digital 21 Strategy and the e-government programme
(LC Paper No. CB(1)2034/06-07(03) -- Paper provided by the Administration)

17.   At the invitation of the Chairman, the Government Chief Information Officer of the Office of the Government Chief Information Officer (GCIO/OGCIO) updated members on the implementation of the Digital 21 Strategy since the last report made in January 2007.   New developments were summarized as follows:

(a)   The Administration was proceeding in full speed with the *Wi-Fi initiative* to equip some 350 Government premises with Wi-Fi connections for free public use. In setting up the facilities, due regard would be made to international practices to provide the best security and health protection for citizens.

(b)   Although Hong Kong was ranked 3rd in the Information Communications Technology Opportunity Index published by the International Telecommunications Union in 2007 and despite Hong Kong's high information and communications technology (ICT) penetration rate (personal computers and Internet penetration rates amongst students were 95% and 92% respectively) as compared to many economies, the OGCIO had commissioned the University of Hong Kong to conduct a study to identify the barriers to *ICT adoption* amongst six different disadvantaged groups, namely, the elderly, children of low-income families, female homemakers, new arrivals, single parents and persons with disabilities and/or chronic illness.   The findings of the study would serve as useful reference for the new task force to be set up comprising members of relevant Government departments, industry and community stakeholders in devising strategy and measures to bridge the digital divide.

(c)   On *technological cooperation with the Mainland*, in addition to the established communication channels with the Pearl River Delta and the Guangdong authorities, the Government had concluded a new agreement on the "Shengzhen-Hong Kong Innovation Circle" in May 2007 with the Shengzhen authorities to foster synergy in innovative activities in the two places.

18.   Members were also briefed on the key e-government initiatives launched since the last report in June 2006.   GCIO highlighted the following salient features:

(a)   *GovHK*, soft launched in September 2006 for public trial use, was well received by the public.   Monthly visits in May 2007 exceeded half a million.   Together with new improved features including the

addition of a "youth cluster" to provide services and information to youngsters, GovHK would be officially launched on 3 August 2007. Continued efforts would be made to enrich the content of GovHK and to make suitable improvements in the light of public feedback.

(b) On applications relating to the *Smart Identity (ID) Card*, apart from the successful automated passenger/vehicle clearance at border control points and the library card function, the Leisure and Cultural Services Department (LCSD) would ride on the Smart ID Card to enable members of the public to make bookings for sports and leisure facilities at self-service kiosks in the latter half of 2007.

(c) With the Finance Committee's approval of a commitment of $49.2 million in January 2007 for the implementation of the *Electronic Procurement Pilot Programme*, preparation of the tender document was underway for the pilot programme to be conducted in three departments, namely the OGCIO, the Environmental Protection Department and the Immigration Department.

(d) The OGCIO was formulating an *Electronic Information Management Strategy* to encourage and guide Government bureaux and departments (B/Ds) to adopt electronic solutions in managing information in electronic form so as to enhance operational efficiency, information security, knowledge management capabilities as well as to reduce paper consumption and storage space.

Discussion

Smart Identity (ID) Card

19.   While noting that the rollout of the Smart ID Card in 2003 had brought about a number of improved services such as the digital-certificates for online transactions, library card functions and particularly the automated passenger/vehicle clearance at border control points, etc, Mr Howard YOUNG held the view that the full potential of Smart ID Card had yet to be realized.   Sharing a similar view that more applications could be developed for the Smart ID Card, Mr SIN Chung-kai said that the data storage capability of the chip embedded in the Smart ID Card had not been fully utilized.   He pointed out that although data storage capacity had been reserved in the chip for the development of other applications, so far only the Transport Department (TD) had planned to use and LCSD had made use of the card face data (CFD) stored in the chip for other applications in the past almost 10 years.

20.   Mr Howard YOUNG noted that TD was studying the feasibility and the legal implications of doing away with the requirement for holders of driving licence to carry their licence while driving.   He enquired about the progress of the

initiative and at what time the new measures were likely be implemented. Referring to the recent publicity campaign to alert motorists to the renewal of their 10-year driver licence, he suggested that consideration be given to storing driving licence information in the Smart ID Card so that licence holders would be alerted of the licence renewal due date at the time of custom clearance.

21.   On the integration of Smart ID Card and driving-licence functions, the Deputy Government Information Officer (Planning and Strategy) (DGCIO(P&S) informed the meeting that the OGCIO and TD were exploring the technical viability of retrieving the relevant data stored at TD's back-end database to verify the identity of the driver in question. On the legal side, she understood that legislative amendments to nine pieces of legislation and 33 pieces of subsidiary legislation would be required to effect the new arrangement.   In this connection, TD, in collaboration with the Department of Justice, was studying the legal implications of such an arrangement.

22.   Regarding reminder of driving licence renewal, DGCIO(P&S) remarked that apart from prompting concerned drivers at the time of customs clearance, other alternatives such as sending an SMS or email reminder could also be explored to serve the same purpose. The Deputy Government Chief Information Officer (Operation) DGCIO(O) added that OGCIO had been in close contact with TD to explore and identify means to enhance the smooth operation of the licence renewal process.

23.   In this connection, Mr SIN Chung-kai remarked that as the data bank of departments were segregated by firewall, the implementation of Mr Howard YOUNG's suggestion which involved inter-departmental data sharing could only be feasible with data subjects' concurrence or authorization by way of legislation.

24.   GCIO concurred with Mr Howard YOUNG and Mr SIN Chung-kai that the initial ambition of the Smart ID Card was not fully realized.   He said that it was the objective of the OGCIO to encourage and work with other departments to explore the feasibility of making full use of the capabilities of the Smart ID Card. DGCIO(O) informed members that, in addition to the existing applications, LCSD would use the CFD stored in the chip embedded in the Smart ID Card to enable on-line public booking of sports and leisure facilities at self-service kiosks in the latter half of 2007.

25.   Ms Emily LAU opined that whether or not to put in more personal data in the chip of the Smart ID Card was a sensitive and controversial issue.   While there was support for storing personal medical records in the chip, she cautioned that any initiatives touching on personal data and privacy should be handled with great care. She stressed that comprehensive community-wide consultation should be conducted for any major changes to policies touching on personal data and privacy and the matter should be brought to the Panel for deliberation.

26.   In response, DGCIO(O) advised that there was no plan at present to include additional personal data in the chip of the Smart ID Card.   He assured members that the Administration, mindful of the public interest and privacy consideration, had been prudent in authorizing departments to make use of the personal data stored in the Smart ID Card.

27.   In response to Ms Emily LAU's enquiry about the pilot infrastructural authentication service using the secure personal identification number (Secure PIN) embedded in the Smart ID Card, DGCIO(O) explained that the aim of the pilot service was to create a test environment for verifying the usability of the Secure PIN function and the CFD function of the Smart ID Card to support authentication for e-government services.   He said that for security and privacy consideration, the Secure PIN, different from other PINs which normally were stored in the back-end system, was embedded in the Smart ID Card.   The user had to activate the use of the Secure PIN in person at a specified work station by entering and confirming personal particulars.   DGCIO(O) highlighted that the Secure PIN, which could be accessed and changed by the user only, would not be available to any Government department.   The Secure PIN service would provide an additional e-channel for trading activities but could not fulfill all the functions that digital-certificate was capable of, such as encryption and non-repudiation of electronic transactions. DGCIO(O) remarked that as the Secure PIN and the digital-certificate had different application scope, the Secure PIN service was not rolled out at the same time with digital-certificate to avoid confusion to the public.   The OGCIO would invite interested B/Ds in the latter half of 2007 to take part in the pilot programme.   In response to the Chairman's enquiry, DGCIO(O) affirmed that the Administration would revert to the Panel prior to the roll out of the Secure PIN service.

Transition to GovHK

28.   On the migration of the existing government services on the ESDlife website to the one-stop GovHK portal upon the expiry of the contract with the operator of the Electronic Service Delivery Scheme in January 2008, Mr SIN Chung-kai highlighted the importance of publicity to inform the public and the existing ESD service users about the change to facilitate a smooth transition and to ensure the continuity of service in the migration process.   He suggested the Administration to make use of the e-government webpage to promulgate the new arrangement.   He also called on the Administration to further enhance the data search and query functions of GovHK to improve accessibility and its user-friendliness.

29.   GCIO said that since the soft launch of GovHK in September 2006, publicity had been launched to promote the new government portal to pave the way for the migration.   Further publicity through appropriate channels such as the Internet, announcements of public interest on television and radio, road shows, print advertisements and online advertising would be conducted during the lead-up to the official launch on 3 August 2007 to increase public awareness of the

transition. DGCIO(O) also affirmed that the Administration had taken the initiative to enhance the search and query functions and enrich the content of GovHK.

Data and information sharing

30.   Referring to the Government electronic information management strategy, Mr SIN Chung-kai opined that there was room for improvement regarding information and data sharing among B/Ds, and making available information and data to the public and/or private enterprises. He pointed out that some private enterprises might have commercial interests in providing value-added services on the data available in some Government departments such as the Lands Department, the Hong Kong Observatory and the TD, etc. He recalled that mobile phone operators had in the past negotiated the fee level for the use of transport and traffic data. He regretted, however, that protracted fee negotiation had on many occasions held up the roll out of new value-added services which was not cost effective in the light of the nominal fee to be charged. He suggested that the Administration should formulate policies on what and how data held by B/Ds could be made available to the public and/or private enterprises either free or at a nominal and reasonable fee. He called on the Administration to formulate policies at a macro level to encourage and expedite data and knowledge sharing among departments; and for B/Ds to make available more readily information and data for public use and/or for value-added services.

31.   In response, DGCIO(O) said that knowledge sharing and releasing data for public use and value-added services were among the major objectives of the e-government initiative as well as the Digital 21 Strategy. There were successful cases in the past where data had been made available to the public and/or to private enterprises either free or at a nominal fee. He elaborated that while the Land Registry (LR) had already made its data available on line for public access, the Rating and Valuation Department (RVD) would roll-out its new departmental e-service in 2008 to enable online public access to its property data. To make property related data held by the Government more accessible and transparent to the public, RVD and LR would work to develop a Property Information Hub to provide an integrated service for users to directly access property related information held by both departments, and to make available the integrated data to private sector entities for providing value-added services. Furthermore, liaison between TD and the industry was underway for the provision of traffic data in the Intelligent Transportation Network to be launched in 2008. The OGCIO had also conducted an Expression of Interest exercise from mid December 2006 to mid February 2007 to gauge market interest in providing value-added content and services on GovHK. OGCIO was now consulting relevant B/Ds on the proposals received and planning a customer research to determine whether the proposals were appropriate and acceptable from both the Government and the citizens' perspectives. He added that the provision of value-added content and services at a fee by private enterprises through various forms of data applications were commercial activities

involving financial consideration and requiring corresponding financial arrangements. In this regard, references were made to international experience in overseas jurisdictions. Policy issues relevant to the e-Government initiative would be considered by the E-Government Steering Committee chaired by the Financial Secretary (FS).

E-Services

32. <u>Ms Emily LAU</u> noted that currently over 95% of the Government forms (i.e. about 2,500 forms) were available on the Internet through the Government Forms website and/or departmental websites. She sought explanation on why the remaining forms were not yet down-loadable on the Internet. In reply, <u>DGCIO(P&S)</u> advised that of the 79 Government forms currently unavailable on the Internet, 28 would be made available from June to September 2007. Of the remaining forms, she said that the OGCIO would work with the relevant B/Ds to examine the feasibility of making available the remaining forms on the Internet. She also pointed out that some of these remaining forms, for operational reasons, had to be issued direct to the applicant concerned, such as the licence renewal forms. There were also import and export licence forms of the Trade and Industry Department which had to be paid for, and forms of the Immigration Department requiring declaration. In this connection, <u>GCIO</u> remarked that while OGCIO would encourage the relevant B/Ds to make available all their forms through the Internet where feasible and continue its efforts in promoting e-services to better serve the public and businesses, there were legal and operational difficulties in making all forms available on line.

Building an inclusive, knowledge-based society

33. Referring to the study commissioned by the OGCIO to identify the barriers to ICT adoption among six disadvantaged groups, <u>Ms Emily LAU</u> noted that while a host of problems were identified for the elderly and children of low-income families, no solutions were proposed to these problems, such as insufficient training classes at community centres and the lack of a ready enquiry channel for the elderly; and financial difficulties facing students in paying the monthly Internet service charge, cost of software, and computer maintenance and repairs, etc. <u>Ms LAU</u> enquired what ICT adoption barriers were identified for the remaining four disadvantaged groups, namely female homemakers, new arrivals, single parents and persons with disabilities and/or chronic illness. She also sought elaboration on the measures and time-table that would be implemented to enhance digital inclusion and to promote wider use of ICT among small and medium-sized enterprises (SMEs).

34. In reply, <u>DGCIO(O)</u> said that the Administration had made continuous effort to tackle the digital divide. More than $200 million dollars were spent in 2006-2007 to step up training and strengthen measures for digital inclusion. In addition to relying on the statistics of the Census and Statistics Department, a

research team of the University of Hong Kong was commissioned to conduct a focused study to identify the barriers to ICT adoption of the six disadvantaged groups. Apart from the problems identified for the elderly and the children of low-income family, the research team was now consolidating the findings for the other four disadvantaged groups. Recommendations would be put to the Government for consideration. To ensure that a holistic approach was taken in tackling the digital divide, a task force comprising representatives from relevant Government departments as well as industry and community stakeholders would be set up in the latter part of 2007 to formulate a strategy and to develop initiatives for digital inclusion.

35. On measures to promote the wider use of ICT among SMEs, DGCIO(O) said that sector-specific e-business promotion programme had been conducted in collaboration with professional bodies to enhance awareness and ICT capabilities of SMEs through disseminating best practices information, rendering technical support and assisting in the development of industry portals for knowledge-sharing and collaboration. He said that while no direct financial subsidy would be provided to SMEs, the Government was exploring with the ICT industry the possibility of making available in the market at affordable prices all-in-one packages to SMEs, including computer hardware and software, Internet connection and support services.

36. On the implementation time-table to enhance digital inclusion, DGCIO(O) said that it was difficult to commit to a specific time whereby the digital divide, which was a global problem, could be solved completely. He assured members that the Panel would be updated regularly on the progress of implementation and if necessary, the annual departmental plan setting out the details of various government initiatives and estimated budget would be provided to members for information after the meeting.

Admin

37. Summing up, GCIO hoped that members would understand that it was always difficult to solve the last 5 to 10% hardcore problems. He assured members that the Administration would spare no efforts in bridging the digital divide. He undertook to update members on the initiatives and the progress of implementation in November 2007.

V.   Information security
(LC Paper No. CB(1)2034/06-07(04) -- Paper   provided   by   the
                                             Administration

   LC Paper No. CB(1)2063/06-07(01) -- Background brief prepared by the
                                             Legislative Council Secretariat)

Presentation by Administration

38.	At the invitation of the Chairman, the Deputy Government Chief Information Officer (Operation) DGCIO(O) updated members on the progress of information security improvements made by the public organizations and regulatory bodies as well as the security programmes being conducted for Government bureaux and departments (B/Ds). He said that further to the interim status update report submitted to the Panel in early April 2007, the OGCIO, with B/Ds' assistance, had compiled progress updates on information security enhancement measures in May 2007 for reporting to the Panel in July 2007. He highlighted the following salient points in the progress report:

(a)	As at end May 2007, 50 (48%) of the 104 *public organizations* had completed all their enhancement work and a total of 88 organizations (85%) would finish the requisite work by end of 2007. However, 16 organizations (15%) which had partially completed their enhancement programmes indicated that all improvement work would not be completed within 2007. Of the 884 improvement measures identified for implementation, 661 items (75%) were completed. A summary of the implementation progress grouped under six categories (i.e. security management, security governance, adoption of security technologies, handling restricted/classified information, staff awareness and training, and the Information Technology services outsourcing) was at Annex to the Administration's Paper (LC Paper No. CB(1)2034/06-07(04)).

(b)	Of the 58 *regulated sectors*, 35 considered that there was no provision for them to govern information security of the regulated sectors under the present regulatory regime. Nevertheless, some regulatory bodies indicated that action would be taken to enhance the information security of their regulated sectors.

(c)	Starting from May 2007, the Government had launched security audits to examine all *B/Ds* over a 2-year period to check the progress of security risk assessments and to strengthen the monitoring of B/Ds' compliance with information security policies. E-learning courses and classroom seminars on various security topics were conducted to raise staff awareness in information security and data protection, and to enhance staff's knowledge and skills in their daily departmental operation.

(d)	As information security was an ongoing concern, the OGCIO would regularly update the Government's one-stop information security portal (www.infosec.gov.hk) to provide the latest news, up-to-date reference information and security alerts to B/Ds and users in the public, as well as collaborate actively with relevant industry players

in promoting awareness and training in information security.

Discussion

Security audits of B/Ds

39.   Mr SIN Chung-kai noted that starting from May 2007 security audits had been conducted to monitor security compliance in all B/Ds over a 2-year period. Referring to the summary of the implementation progress at Annex to the Administration's Paper (LC Paper No. CB(1)2034/06-07(04)) which was grouped under six categories, namely security management, security governance, adoption of security technologies, handling restricted/classified information, staff awareness and training, and the Information Technology services outsourcing, Mr SIN suggested that "security audit" should be included as a category, in addition to the existing six categories, in future reporting.   DGCIO(O) noted Mr SIN's suggestion for future action.

Admin

40.   In response to Ms Emily LAU's enquiry on whether the security audit commenced in May 2007 would be an on-going arrangement, DGCIO(O) confirmed that on-going regular security checks would be conducted to strengthen the monitoring of security compliance by Government B/Ds and to enhance information security and data protection status in B/Ds.

Information security status of the regulated sectors

41.   Mr SIN Chung-kai noted with concern that the majority of the regulatory bodies considered that there was no provision for them to govern information security of the regulated sector under the present regulatory regime.   He was disappointed that existing legislation was narrowly interpreted as not empowering the regulatory bodies to govern information security of the regulated sectors.   He said that such a mind-set reflected that the regulators were trying to shrug off their responsibilities.   He opined that as a general practice, service providers would make contractual undertaking to ensure data security in the provision of service. As such, the regulators should ensure their respective regulated sectors had complied with information security requirements.   Apart from the centrally managed security audits on B/Ds, Mr SIN called on the OGCIO to enhance the regulatory bodies' awareness of the importance of information security and data protection.   He also urged the regulators to require their regulated sectors to employ professionals to periodically audit the security status of the set-ups at least every two to three years.   He said that just as listed companies in the financial sector were all required to have their accounts audited annually, regulators such as the Hong Kong Monetary Authority, the Securities and Futures Commission, the Hong Kong Exchanges and Clearing Ltd and the Office of the Telecommunications Authority should require their regulated sectors such as the banking sector, listed issuers as well as network service providers which held sensitive personal data and information to conduct security audit check at regular intervals.   Mr SIN

suggested the OGCIO to issue guidelines to the regulators to help them monitor their regulated sectors' security compliance. He also suggested that the issues relating to the monitoring and implementation of information security be elevated to the E-government Steering Committee under the chairmanship of the FS for better and effective co-ordination.

42.   DGCIO(O) took note of Mr SIN Chung-kai's suggestions. He said that one of the OGCIO's major work focus was to mobilize B/Ds to assume their management responsibilities over information security compliance and governance of the public organizations and regulated sectors under their purview, such as issuing reminders to their regulated sectors on the need for protection of personal data of their clients and employees; requesting their regulated sectors to observe and comply with the practice circulars on information security; urging their regulated sectors to make reference to the Government's information security policies and guidelines; and advising on good practices on information security during regular inspection visit. In this regard, information security policies and guidelines originally intended for B/Ds were made available on the web for reference by the public including public organizations and regulated sectors. He remarked that some regulatory bodies were concerned about the grey area over the existing legislation, particularly those enacted in the early days, which had no clear provisions relating to the governance of information security. Nevertheless, in view of the wide public concern about information security, the OGCIO would continue to maintain close contact with the responsible B/Ds, and also through them, with public organizations and regulated sectors to enhance their awareness of and compliance with information security governance requirements.

43.   Having regard to the importance of security governance, Mr SIN Chung-kai opined that if there was no provision in the ordinance to empower the regulatory bodies to govern information security of the regulated sectors, which he did not believe to be the case, legislative amendments should be made to clarify the grey area and plug the loophole. Sharing a similar view, Ms Emily LAU invited the Government Security Officer of the Security Bureau (GSO/SB) to comment on whether legislative amendment was considered necessary for effective security governance. In reply, GSO/SB said that whether legislative amendment was required to make security governance mandatory depended on the needs of individual regulated sectors and the unique requirements of the public organizations in question. In this regard, responsible B/Ds were urged to conduct regular review with the public organizations, regulatory bodies and regulated sectors under their purview to make on-going assessment in the light of the nature and the degree of sensitivity of the data held by them. She said that SB was committed to providing information and assistance as necessary to any public organizations and regulated sectors. In response to the Chairman's request, the Administration undertook to provide to the Panel after the meeting information relating to the need or otherwise for legislative amendments on information security governance of public organizations and regulated sectors.

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Progress of security improvement in public organizations

44.   Ms Emily LAU noted with concern that 16 public organizations (15%) could not complete their security improvement work within 2007.   She asked the Administration to name the 16 organizations and enquired about the reasons for the slippage.   She recalled that at the Panel meeting held in December 2006, the Administration was requested to disclose, for the Panel's reference, the names of those public organizations that failed to improve their information security status when reporting to the Panel on the subject again in July 2007.   In response, DGCIO(O) named the 16 set-ups including the Board of Review (Inland Revenue Ordinance), the Construction Industry Training Authority, the Construction Workers Registration Authority, the Employees Retraining Board, Hong Kong Arts Development Council, Hong Kong Council for Academic Accreditation, Hong Kong Council on Smoking and Health, Hong Kong Examinations and Assessment Authority, Lingnan University, the Liquor Licensing Board, Hong Kong Academy for Performing Arts, the Town Planning Board, the University Grants Committee Secretariat, the University of Hong Kong, the Privacy Commissioner for Personal Data (PCPD), and the Independent Police Complaints Council (IPCC).   He remarked that the assessment of implementation progress which was grouped by six categories of security measures was very stringent.   While most of the 16 public organizations in question had completed the security improvement work for some of the six categories, eight organizations indicated that enhancement work could be finished within the 2007-2008 fiscal year.

45.   Ms Emily LAU was particularly concerned that IPCC and PCPD had not yet completed all the necessary improvement work.   She sought elaboration on the reasons for the slippage and enquired what actions would the Administration take to facilitate and expedite their early compliance.   DGCIO(O) said that OGCIO had urged the responsible B/Ds to follow up with the public organizations and regulated bodies under their purview on the implementation of measures to improve security protection as soon as possible.   Actions were also taken to assist IPCC on improving contract provisions, quality assurance and security governance in IT outsourcing to ensure compliance by the contractor with the information security requirements.   At the Chairman's request, he undertook to provide detailed information on the outstanding security improvement work to be completed by the 16 organizations, reasons of their slippage, and their target completion date to the Panel after the meeting.

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46.   Ms Emily LAU called on the Administration to ensure that IPCC was provided with the necessary resources and assistance to safeguard against any further leaks of personal data.   In response, GSO/SB said that IPCC had already taken a series of security measures to improve its security posture and to stay vigilant of online threats to enhance their security posture and to rule out any illegal use of restricted/classified data held by them.   The Administration would follow-up the matter with IPCC and report the follow-up to the Panel in writing in due course.   GSO/SB also assured members that SB would provide every support

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to IPCC on enhancing information security.

47.   In response to the enquiries raised by the Chairman and Mr Jasper TSANG about the assistance that OGCIO had provided and would provide to those organizations that had difficulties in implementing the security improvement measures on schedule, DGCIO(O) said that most organizations had indicated in their returns that they would make their own arrangements to meet with the security requirements.   He stressed that through the responsible B/Ds, the OGCIO had taken the initiative to liaise with the public organizations, regulatory bodies and the regulated sectors in question and was committed to providing the necessary technical assistance as necessary to the set-ups.   At the Chairman's request,

Admin   DGCIO(O)   undertook   to   provide   information   on   the   compliance difficulties/problems identified by the concerned organizations, assistance requested by them and the assistance provided by the OGCIO to help those organizations tackle the problems.

Power and responsibility of monitoring compliance of information security policies

48.   Mr Jasper TSANG noted that B/Ds were subject to security audits and were required to conduct self-assessment of their compliance with the Government's information security regulations and policies.   Disciplinary proceedings would be instigated in the event of breaches.   He enquired whether public organizations and regulated sectors under the purview of B/Ds were subject to the same requirements and regulatory regime.   He was also concerned whether OGCIO had the power and responsibility to monitor implementation of information security policies such as setting a deadline for completion of security enhancement work, as well as taking enforcement and disciplinary action and imposing penalty for non-compliance and breaches.   If not, who/which set-up would exercise the regulatory role.

49.   In response, DGCIO(O) pointed out that in the implementation progress report, all the set-ups were classified into three categories, namely B/Ds, public organizations, and regulated sectors as they were to a certain extent different.   He explained that B/Ds, as part of the Government, were required to comply with the requirements promulgated from time to time by the OGCIO while civil servants of B/Ds were subject to the stipulations of the Security Regulations on the handling of government information.   Regulatory bodies that were themselves B/Ds were subject to the same regulatory regime.   He pointed out that not all government guidelines and regulations were wholly applicable to public organizations and regulated sectors.   Responsible B/Ds were therefore requested to make reference to government regulations and guidelines and to seriously consider requiring the public organizations and the regulated sectors under their purview to comply with those requirements identified as relevant to them.   He stressed that while the OGCIO did not have the mandate to oversee and enforce compliance, it was committed to providing necessary assistance to facilitate compliance.   He reiterated that the OGCIO had made public on the web all the government

information security policies and guidelines for reference by interested parties.   In this regard, he remarked that members' concern about the implementation progress expressed at the Panel meeting in December 2006 had already been conveyed to the B/Ds, public organizations and the regulatory bodies.   The concerned B/Ds, organizations and bodies were aware that members had asked to name those set-ups that had yet to complete all the necessary security enhancement programmes.   As such, the organizations concerned were accountable to LegCo Members for failure of compliance.   Members could therefore assess the overall situation with reference to the information to be provided after the Panel meeting on outstanding security improvement work, reasons of slippage and compliance difficulties/problems identified as mentioned in paragraphs 45 and 47 above.

50.   In this respect, the Chairman remarked that if necessary, a meeting could be convened for the organizations concerned to account for their slippage and difficulties encountered.   Nevertheless, he pointed out that it was not appropriate to regard LegCo Members as responsible for monitoring non-compliance of the public organizations and regulated sectors.   He said that all the public organizations and regulated sectors were under the purview of either one or several Government B/Ds, such as IPCC was under the ambit of the SB.   Echoing the Chairman's view, Mr SIN Chung-kai said that in the event of any security breaches, the B/Ds and regulatory bodies responsible for the public organizations and the regulated sectors in question would be expected to account for the non-compliance. As such, it was important to mobilize responsible B/Ds and regulatory bodies to assume the monitoring and regulatory role to take practical measures to enhance and safeguard information security of the public organizations and regulated sectors under their purview.   Noting the difficulty and the limited power of the OGCIO in enforcing compliance, Mr SIN reiterated his earlier suggestion that the relevant matter should be discussed and co-ordinated at the E-government Steering Committee chaired by the FS.

51.   Ms Emily LAU opined that the B/Ds should be made aware of their responsibility over security governance so that all parties concerned would duly perform their respective role and responsibilities to make concerted efforts to protect privacy and safeguard against data leaks.

52.   In this connection, noting that each and every civil servant was required to abide by the Security Regulations and that disciplinary actions would be initiated in accordance with the relevant Government regulations for security breaches, Ms Emily LAU sought explanation as to why the civil servant seconded to IPCC who was involved in the recent data leak was not held liable.   DGCIO(O) explained that as he understood it, the case involved out-sourcing of IT services and was complicated by grey areas as to which party should be held responsible for maintaining data security.   In this regard, he said that the OGCIO had issued guidance to strengthen contract provisions in IT service outsourcing to ensure compliance with security requirements.

53.　　Summing up, the Chairman requested the Administration to take note of members' views and suggestions, and provide the requisite information in due course for the Panel's reference.　　Ms Emily LAU added that upon perusal of the information provided by the Administration after the meeting, the Panel might revisit the subject if considered necessary.

VI.　　Any other business

Special meeting on 18 July 2007

54.　　The Chairman reminded members that a special meeting had been scheduled for Wednesday, 18 July 2007 from 2:30 pm to 5:30 pm in Conference Room A to discuss the following items:

　　　　(a)　　Release of spectrum for broadband wireless access services;

　　　　(b)　　Review of regulatory framework for universal service arrangements; and

　　　　(c)　　Provision of consumer information in relation to residential broadband use in Hong Kong.

55.　　Members noted that deputations were invited to attend the meeting and to present their views on the above three items.

56.　　There being no other business, the meeting ended at 4:10 pm.

Council Business Division 1
Legislative Council Secretariat
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