

Legislative Council
Panel on Information Technology and Broadcasting

**Policy Initiatives of Communications and Technology Branch,
Commerce, Industry and Technology Bureau**

Introduction

The Policy Agenda Booklet lists the Government's new and on-going initiatives for the period from July 2006 to June 2007. This note elaborates on the initiatives concerning the Communications and Technology Branch of the Commerce, Industry and Technology Bureau in the Policy Agenda Booklet. It also gives an account of the latest position on the initiatives contained in the 2006 Policy Agenda.

Effective Governance

New Initiative

Review the provisions in the Control of Obscene and Indecent Articles Ordinance, in particular those relating to repeated offenders, to assess if they would need to be strengthened to enhance the deterrent effect.

There have been growing concerns from the community over the inclusion of objectionable materials in publications. The Television and Entertainment Licensing Authority (TELA) has introduced a series of measures to enhance the enforcement of the COIAO, including increasing the number of inspections, uploading onto its website the enforcement statistics and details of referrals to the Obscene Article Tribunals (OATs) and convictions, launching publicity and public education activities, conducting regular opinion surveys, etc. In order to enhance the deterrent effect in particular against repeated offenders, TELA is now reviewing the provisions in the COIAO to assess if they would need to be strengthened. We will consult the public and Members on the outcome of the review in due course.

Ongoing Initiatives

Enriching the new government portal, GovHK, taking into account feedback from users. The portal has been soft launched since September 2006 to serve as the one-stop shop for online government information and services.

Thanks to the support of this Panel and the IT industry, we had secured \$170.8 million from the Finance Committee in March this year to support the development of a citizen-centric one-stop access portal of the Government, and enhance the central e-government infrastructure to facilitate the reprovisioning of existing e-government services and the introduction of new services by various bureaux/departments. GovHK, the new one-stop portal, has been soft launched to the public last month for trial use. In developing this first release, we conducted six rounds of customer research from late 2005 to mid-2006 to understand citizen's needs and preferences on the content and design of the portal. In the coming months, we will collect more public feedback through an online survey and conduct further customer research to help us enrich the portal and improve its design. When we are confident that GovHK is running smoothly and meeting the general requirements of citizens, we will decommission the existing Government Information Centre (www.info.gov.hk) in the first quarter of 2007 and start to launch local and overseas promotion for the portal around mid-2007.

Vibrant Economy

New Initiative

Plan, in the light of views collected at the public consultation, to introduce legislation in the 2006-07 legislative session to effect the establishment of a new Communications Authority by merging the functions of the Broadcasting Authority and Telecommunications Authority to enhance regulatory co-ordination and efficiency and facilitate further development of the electronic communications industry.

The technological and market convergence has been blurring the boundary of the broadcasting, telecommunications and information technology sectors. We are studying the views collected at the public consultation launched earlier this year on the proposal to merge the Broadcasting Authority and the Telecommunications Authority into a unified regulator to oversee the entire electronic communications sector. There is general support for the proposal. We plan to introduce legislation into the Legislative Council in the 2006-07 legislative session for the establishment of the unified regulator.

Rationalise the institutional framework of government and public organizations in respect of film industry development and support through entrusting the Secretary for Commerce, Industry and Technology (SCIT) to co-ordinate the relevant policy, planning and activities, including manpower training, Mainland and overseas promotion, and filming support. We will set up a Hong Kong Film Development Council, mainly comprising members of the film industry, to support the SCIT.

The film industry is the flagship of creative industries in Hong Kong. Currently, while CITB is responsible for the bureau policy for film development, different bureaux, departments and agencies have been implementing various supportive measures targeting different segments of the value chain of film production and marketing, e.g., this Bureau and TELA run two funding schemes and a Film Services Office, the Education and Manpower Bureau provides skills upgrading training for film workers, the Home Affairs Bureau funds international film festivals in Hong Kong, and manage a film archive by the Leisure and Cultural Services Department, and the Hong Kong Trade Development Council supports the promotion of Hong Kong films through various activities locally (e.g. the Filmart) and overseas (e.g. film festivals), etc.

We see a need to rationalise the institutional framework so that SCIT will be entrusted to co-ordinate all these relevant policy, planning and activities. In this connection, we plan to set up a new non-statutory Hong Kong Film Development Council to succeed the existing Film Development Committee. The new Council will assume greater responsibility and support SCIT in developing and implementing a coherent strategy for the further development of the industry. TELA will also be strengthened to provide executive support to the new Council and SCIT, co-ordinate all film-related measures within the Government and provide one-stop services to the industry.

Review and reappraise our information protection capabilities across our use of cyberspace. This review will focus on existing government standards and practices while ensuring we consult industry fully on more advanced approaches where they apply. We will also extend our information security awareness and public education programme to ensure that all citizens and businesses can move forward in the cyber world with confidence.

The OGCIO has updated Government's information security related regulations, policies and guidelines in mid 2006 to keep them in pace with the advancement of technology and the development of international and industry best practices. We will keep in view implementation of information technology (IT) security measures by bureaux and departments and support them in their adoption of the revised IT regulations, policies and guidelines. In exploring the latest technologies and solutions, we will also consult the industry where appropriate on their application to suit different business and security requirements.

We will continue to provide reference resources in the one-stop portal on information security for public reference as well as collaborate with the industry, professional associations and related bodies to organize seminars and exhibitions for wider dissemination of important messages about information security to the public.

Ongoing Initiatives

Reviewing and updating the existing telecommunications regulatory framework to cater for the convergence of fixed and mobile communications services.

The Office of the Telecommunications Authority (OFTA) launched a consultation exercise in September 2005 on the proposed introduction of unified carrier licence for the provision of both fixed and mobile services. Subsequently, OFTA commissioned a consultancy study on the possible regulatory changes necessary to cater for fixed mobile convergence. Taking into account the consultant's recommendations, a second consultation paper was issued in July 2006. The consultation exercise ended on 13 October 2006. OFTA is now reviewing the submissions received and will decide the regulatory arrangements in due course.

Enabling, via a pilot scheme, the commercial exploitation of the intellectual property in the government IT systems originally developed by contractors for creating a better business environment for Hong Kong.

We have launched the pilot scheme to facilitate commercial exploitation of intellectual property of the government IT systems originally developed by contractors. The pilot scheme will last for three years after which we will review its effectiveness and areas for improvement.

Operating a new standing offer procurement facility for IT professional services that focuses on overall value to the Government and sustains the vibrant economy.

A new procurement arrangement called the Standing Offer Agreement for Quality Professional Services (SOA-QPS) has been put in place in December 2005. The new arrangement facilitates greater participation by the industry. The number of companies involved has increased from 12 in the previous arrangement to the present 22, with the number of Standing Offer Agreements awarded increased from 23 to 40.

Exploring further opportunities of data centre outsourcing with a view to improving operational efficiency and fostering the development of the local IT industry.

The contract for outsourcing the hosting services of the Central Computer Centre was awarded in December 2005. All system migrations were successfully completed in September 2006. We are in the process of reviewing the operational efficiency of the outsourcing initiative. The outcome of the review will serve as a reference for future data centre outsourcing initiatives.

Mapping out an implementation plan for piloting e-procurement at departmental level to deal with low-value, high volume purchases to improve internal efficiency and encourage external suppliers to adopt e-commerce.

We are securing funding for implementation commencing in 2007-08.

Implementing the framework for the migration from analog to digital terrestrial television broadcasting with a view to commencing digital terrestrial television broadcasting by 2007 and achieving within 2008 digital coverage for 75% of the area of Hong Kong.

The introduction of digital terrestrial television broadcasting will bring enormous benefits such as improved audio-visual quality, fewer reception problems, more programming choice and stimulation of innovative multimedia applications to the community.

With a view to starting simulcast in 2007 according to our implementation framework, the two domestic free television programme service licensees, Asia Television Limited and Television Broadcasts Limited, have commenced their work in network planning, design and construction and are conducting transmission trials and tests of digital signals. The Office of the Telecommunications Authority has been leading two working groups with the two licensees to handle all technical issues related to network construction, transmission and reception of digital terrestrial television as well as receiving equipment.

We have commenced publicity campaigns, including the launch of a dedicated website (www.digitaltv.gov.hk), to raise public awareness of digital terrestrial television. We will mount more publicity activities in the run-up to the launch of digital terrestrial television.

Continuing the review on the broadcasting regulatory regime and assessment of the impact of technological and market convergence in order to facilitate the development and advancement of the electronic communications industry and services.

Convergence of telecommunications, broadcasting and information technology is gradually transforming conventional sector-based markets into a cross-sector multimedia market. We will continue our ongoing study on the broadcasting regulatory regime in Hong Kong to assess whether it remains effective in facilitating the development and advancement of the electronic communications industry and the introduction of new and innovative services. We will take into account the international best practice and local characteristics in the exercise,

and will consult the industry and public should any changes to the existing regulatory regime be considered necessary.

Completing a review of the Digital 21 Strategy in 2006 and promulgating the updated Strategy in 2007 to set out a blueprint for harnessing the benefits of information technology for business and citizens and to strengthen Hong Kong's position as a leading digital city in the world.

The review of the Digital 21 Strategy commenced in early 2006. We have consulted business/community organisations, academia, relevant government bureaux and departments and the Digital 21 Strategy Advisory Committee in formulating the main action areas and the initiatives under the draft 2007 Digital 21 Strategy. We will release the document on 19 October 2006 for public consultation for two months. Members will be briefed on the draft Strategy during the public consultation period. We will also arrange consultation sessions where appropriate with information and communications technology industry organisations and other business/community organisations to collect their views. After considering comments received from the public, we aim to publish the 2007 Digital 21 Strategy within the first half of 2007.

Continuing to position Cyberport as the one-stop hub by providing a variety of infrastructure, resources and support services to the digital entertainment industry in Hong Kong.

Cyberport continues to make use of the existing facilities, including the Digital Media Centre, the iResource Centre, the Digital Entertainment Industry Support Centre, the Digital Entertainment Incubation and Training Centre and the Hong Kong Wireless Development Centre to provide a variety of infrastructure, resources and support services to the local digital entertainment industry. In the past year, the Digital Entertainment Industry Support Centre organized several networking events for the industry. The Digital Entertainment Incubation and Training Centre also provided incubation services to around 30 companies. In addition, Cyberport organized a number of programmes focusing on game development, student internship and exchange, to nurture the local talents on digital entertainment. Cyberport also held forums such as the Digital Entertainment Leadership Forum and the Cyberport Venture Capital Forum. It aimed at upgrading the local industry on their business capability through experience sharing and views exchange with experts from the Mainland and overseas at the forums.

With the sponsorship from the Government, Cyberport is implementing a "Programme to promote legal download of digital content in Hong Kong" which aims to build a "Digital Right Management (DRM) technology enabling environment" to support the development of more legal digital content

distribution services. Under the Programme, the Hong Kong Digital Content Alliance, comprising a number of members from digital content industry associations, has just been formed to promote legal download culture to the public.

Cyberport is proactive in looking for suitable partners at digital entertainment on the Mainland and overseas. So far it has signed Memorandum of Understanding with organizations in Shenzhen and Canada.

Working with the International Telecommunication Union (ITU) to ensure the successful hosting of the ITU TELECOM WORLD 2006 in Hong Kong in December 2006.

The ITU TELECOM WORLD 2006 will be held at the Asia World-Expo from 4 to 8 December 2006. It comprises a world-class Exhibition and a high-level forum. The preparation for the Event is going well. By September 2006, over 98% of the exhibition space has been leased out. Major telecommunications and ICT companies in the Mainland such as China Telecom, China Mobile, Huawei, ZTE, as well as big names like Microsoft, Siemens, HP, Cisco, NEC, Samsung, Intel, Motorola, etc. have signed up. Around twenty countries/places including Canada, Japan, USA, UK, Russia, Korea, Spain, etc. have confirmed to set up their national pavilion.

It is expected that the Event may attract up to 60 000 visitors (comprising about 50 000 trade visitors, 2 500 Forum delegates, 150 ministers of states and 1 500 international media representatives) generating about \$900 million of direct economic benefits for Hong Kong. The Event will also bring enormous intangible benefits, reinforcing Hong Kong's image as Asia's world city, a telecommunications, financial and business hub, as well as the gateway to the vast Mainland market.

Reviewing and developing a comprehensive radio frequency spectrum management and policy framework to ensure more effective and flexible utilization of radio frequency spectrum that will facilitate technological development and evolution of business models.

With a view to formulating a responsive and transparent spectrum policy to enable the community to reap the maximum benefit from the deployment of radio spectrum, we have engaged a consultant to assist in reviewing spectrum policy and management issues. The consultancy study has been completed. We will, taking into account the consultant's recommendations, formulate the proposed spectrum policy framework and seek the views of the community and the industry.

Continuing to consult the industry in order to develop a framework for the deployment of broadband wireless access technologies and services.

Two rounds of public consultation exercise have been conducted. Since deployment of broadband wireless access technologies and services involves the allocation of spectrum, we will consider the way forward after completion of the public consultation on the proposed spectrum policy framework.

Taking the Unsolicited Electronic Messages Bill through the legislative process with a view to enacting it within the 2006-07 legislative session.

We introduced the Unsolicited Electronic Messages Bill (the Bill) into the Legislative Council in July 2006. The Bill is now being scrutinized by a Bills Committee. We will continue to work closely with the Bills Committee and if necessary, to improve the provisions of the Bill. Our aim is to have the Bill enacted within the 2006-07 legislative session.

Enlightened People with a Rich Culture

Ongoing Initiative

In the light of the report of the Committee on Review of Public Service Broadcasting to be received, planning to consult the public extensively on the main issues, including the public mission, specific public purposes, service model, governance, accountability, public participation and financial arrangements, before deciding on the policy and arrangements for future public service broadcasting of Hong Kong.

The independent Committee completed its public consultation on 13 October 2006. We expect the Committee to submit its recommendations to us around the end of this year. We will consider the recommendations and our plan is to consult the public extensively on the main issues including the public mission and specific public purposes of public service broadcasting before deciding on the policy and future arrangements for public service broadcasting in Hong Kong.

**Communications and Technology Branch
Commerce, Industry and Technology Bureau
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