For discussion
on 13 November 2006

Legislative Council Panel on
Information Technology and Broadcasting

Capital Works Reserve Fund Head 710 Computerisation
Subhead A007GX – New administrative computer systems

Introduction

This paper briefs Members on the funding requirement for 2007-08 for the implementation of computerisation projects under the Capital Works Reserve Fund (CWRF) Head 710 Computerisation Subhead A007GX – New administrative computer systems.

Background

2.   CWRF Head 710 Computerisation is the Head of Expenditure funding administrative computer system projects. Projects costing above $150,000 but not exceeding $10 million each are funded through a block allocation under Subhead A007GX which covers new administrative computer systems, and consultancies for feasibility studies and system development. Projects costing more than $10 million are funded under separate subheads and are subject to the specific approval of the Finance Committee (FC) of the Legislative Council.

3.   As for projects costing not more than $150,000, they are funded by individual bureaux and departments through their respective operational expenses subheads under the General Revenue Account.

Funding Requirement for 2007-08

4.   Based on the proposals submitted by bureaux and departments, we estimate that for 2007-08 a block allocation of **$540 million** will be required under Head 710 Subhead A007GX to fund a total of 279 administrative computer system projects.   These include $422 million for

the 193 projects initiated in 2006-07 or earlier; and $118 million for 86 new projects.   A breakdown of the funding requirements is at **Annex A**.

5.   The proposed allocation for 2007-08 is the same as the provision for the current (2006-07) financial year ($540 million for a total of 285 new and ongoing projects).   Having regard to the need to continue with the e-government programme and the past expenditure pattern, we consider $540 million an appropriate allocation for the block vote.

6.   The new projects to be implemented can be broadly classified into the following three main categories:

   (a) Projects to enable the delivery of better services to the citizens and businesses;

   (b) Projects to attain greater efficiency and productivity; and

   (c) Projects to enhance the e-government infrastructure of government bureaux and departments.

Examples of the new projects proposed by bureaux and departments for implementation in 2007-08 are at **Annex B**.

7.   Bureaux and departments are required to observe the following guiding principles in formulating computerisation project proposals:

   (a) to integrate e-government into their overall business plans to derive more business benefits;

   (b) to embrace a citizen-centric culture and adopt customer relationship management (CRM) principles and best practices in the delivery of public services;

   (c) to build in service transformation and business process re-engineering in all organisation/business reviews;

   (d) to proactively identify opportunities for joining up services across departmental boundaries, take ownership of the projects and account for their performance/benefits; and

   (e) to rationalise service delivery channels and migrate customers to the most efficient, user-friendly and cost-effective channels.

Submission of Funding Application to the Finance Committee

8.   Funding approval for all CWRF block allocations (including the Subhead A007GX block allocation) will be sought from FC, after endorsement by the Public Works Subcommittee. The Financial Services and the Treasury Bureau will arrange to seek funding approval from FC for the proposed allocations for 2007-08 in respect of all CWRF block allocation subheads on 12 January 2007.

Advice Sought

9.   Members are invited to give support to the proposed block allocation to be sought from FC for CWRF Head 710 Subhead A007GX in 2007-08.

Office of the Government Chief Information Officer
Commerce, Industry and Technology Bureau
November 2006

**Tentative Allocation of the Proposed Funding for 2007-08 under
CWRF Head 710 Computerisation Block Allocation
Subhead A007GX – New administrative computer systems**

	No. of Projects	($'M)
Projects initiated in 2006-07 or earlier	193	422
New Projects:	86	118
(a) to deliver better services to citizens and businesses (e.g. CRM measures and provision of citizen-centric e-services).	*17*	*22*
(b) to attain greater efficiency and productivity (e.g. electronic document management system, knowledge management system and human resources management information systems).	*39*	*54*
(c) to enhance the e-government infrastructure in government departments (e.g. IT security enhancement and technology upgrade).	*30*	*42*
Total	**279**	**540**

**Examples of New Projects Seeking Funding
under the Proposed Allocation for 2007-08
CWRF Head 710 Computerisation Block Allocation
Subhead A007GX – New administrative computer systems**

Item No.	Project Description	Objective of Application	Project Estimate ($'M)
1.	Establishment of common electronic record archiving facility (Hong Kong Police Force) (HKPF)	Improve efficiency and productivity	9.9
2.	Implementation of Electronic Document Management System (Planning Department)	Improve efficiency and productivity	9.9
3.	Appointment of external consultants to review and formulate an Information System Strategy Plan (Immigration Department) (ImmD)	Improve efficiency and productivity	9.8
4.	Implement department-wide data capturing system (Census and Statistics Department)	Improve efficiency and productivity	9.8
5.	Immigration Control System for operating sea crew (ImmD)	Improve efficiency and productivity	9.5
6.	Upgrade and extension of email services (Lands Department)	Enhance e-government infrastructure	8.9
7.	Computer systems for Developmental Surveillance Scheme and pilot Comprehensive Child Development Service for Family Health Service (Department of Health)	Improve efficiency and productivity	8.4

Item No.	Project Description	Objective of Application	Project Estimate ($'M)
8.	Implementation of Food Import Control System (Food and Environmental Hygiene Department) (FEHD)	Provide better services	7.0
9.	Redevelopment of the Import and Export (Strategic Commodities) Classification and Licensing System (Trade and Industry Department)	Provide better services	6.5
10.	Replacement of computer hardware for the meteorological systems at the Hong Kong International Airport (Hong Kong Observatory)	Provide better services	5.2
11.	Replacement of Air Monitoring Data Acquisition and Control System (Environmental Protection Department)	Improve efficiency and productivity	5.0
12.	Broadband remote access infrastructure for Buildings Department (Buildings Department)	Enhance e-government infrastructure	4.6
13.	Enhancement of the Vehicle And Driver Licensing Integrated Data (VALID) IV System for the early replacement of old diesel commercial vehicles grant scheme (Transport Department)	Improve efficiency and productivity	4.1
14.	Redevelopment of Photo Album Library System (HKPF)	Improve efficiency and productivity	3.8
15.	Provision of computer equipment for the extended area of New Express Cargo Terminal (Customs and Excise Department)	Enhance e-government infrastructure	3.3

Item No.	Project Description	Objective of Application	Project Estimate ($'M)
16.	Pilot Scheme on provision of Personal Digital Assistants and portable printer for inspection of licensed food premises (FEHD)	Improve efficiency and productivity	2.9
17.	Replacement of the Ships & Seafarers Registration System (Marine Department)	Provide better services	2.2
18.	Installation of network infrastructure at the South Kowloon Law Courts Building (LCB), and relocation of the data centre from the Eastern LCB to the South Kowloon LCB with enhanced facilities and features (The Judiciary)	Improve efficiency and productivity	2.1
19.	E-Order Management System for the Manufacturing Management & Control System (Correctional Services Department)	Improve efficiency and productivity	1.9
20.	Leisure Link Interactive Voice Response System Phase 2 (Leisure and Cultural Services Department)	Provide better services	1.5