立法會
Legislative Council

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Panel on Information Technology and Broadcasting

**Minutes of meeting
held on Monday, 12 November 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)
		Dr Hon David LI Kwok-po, GBM, GBS, JP
		Hon Fred LI Wah-ming, JP
		Hon Bernard CHAN, GBS, JP
		Dr Hon Philip WONG Yu-hong, GBS
		Hon Jasper TSANG Yok-sing, GBS, JP
		Hon Timothy FOK Tsun-ting, GBS, JP
		Hon Albert CHAN Wai-yip
		Hon Ronny TONG Ka-wah, SC
Members absent	:	Dr Hon LUI Ming-wah, SBS, JP
		Hon Howard YOUNG, SBS, JP
		Hon Emily LAU Wai-hing, JP
Public officers attending	:	<u>Agenda Item IV</u>
		Mr Alan SIU, JP
		Deputy Secretary for Commerce and Economic Development (Communications and Technology)
		Mr Kevin CHOI
		Principal Assistant Secretary for Commerce and Economic Development (Communications and Technology)

Mrs Marion LAI, JP
Director-General of Telecommunications

Mr Chaucer LEUNG Chung-yin
Senior Telecommunications Engineer (Advisory and Support)
Office of the Telecommunications Authority

Agenda Item V

Mr Howard C Dickson
Government Chief Information Officer
Office of the Government Chief Information Officer

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

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

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

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

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Ms Annette LAM
Senior Council Secretary (1)3

Ms Guy YIP
Council Secretary (1)1

Ms May LEUNG
Legislative Assistant (1)6

Action

I.   Confirmation of minutes of meeting
       (LC Paper No. CB(1)156/07-08   -- Minutes of meeting held on 11 October 2007)

       The minutes of the meeting held on 11 October 2007 were confirmed.

II.   Information papers issued since the regular meeting held on 9 July 2007
       (LC Paper No. CB(1)2116/06-07(01) -- Broadcasting Authority Annual Report 2005-2006

       LC Paper No. CB(1)18/07-08(01)   -- Letter dated 14 September 2007
       (Chinese version only)   from the Chairman of the Community Building-Culture-Leisure and Tourism Committee of the Southern District Council expressing the Committee's concern about the unscrupulous sales practices in relation to pay television)

2.   Members noted that two information papers had been issued to members since the last regular Panel meeting held on 9 July 2007.

III.   Date of next meeting and items for discussion
       (LC Paper No. CB(1)203/07-08(01) -- List of outstanding items for discussion

       LC Paper No. CB(1)203/07-08(02) -- List of follow-up actions)

3.   Members agreed to discuss the following items proposed by the Administration at the next regular meeting scheduled for 10 December 2007:

       (a)   Public consultation on the proposed Unified Carrier Licences;

       (b)   Public consultation on the introduction of new class licences; and

       (c)   Survey results on broadcasting services and complaint handling mechanism of Television and Entertainment Licensing Authority.

       (*Post-meeting note*: At the request of the Administration and with the concurrence of the Panel Chairman, item (a) above would be deferred to the Panel meeting scheduled for 14 January 2008.   The item of "Provision of

radio frequency spectrum for the introduction of broadband wireless access" would be placed on the agenda for the Panel meeting to be held on 10 December 2007. Members were duly informed of the change of agenda item vide LC Paper No. CB(1)317/07-08 issued on 23 November 2007.)

IV.   Progress in the implementation of digital terrestrial television broadcasting
(LC Paper No. CB(1)203/07-08(03) -- Paper provided by the Administration

LC Paper No. CB(1)230/07-08(01) -- Generic Code of Practice on Television Technical Standards (effective from 9 November 2007)

LC Paper No. CB(1)203/07-08(04) -- Background brief prepared by the Legislative Council Secretariat

LC Paper No. CB(1)242/07-08 -- Administration's paper on digital *(tabled at the meeting and* terrestrial television broadcasting *subsequently issued via e-mail on* (power-point presentation *13 November 2007)* materials) (Chinese version only))

Presentation by the Administration

4.   Following a brief introduction by the <u>Deputy Secretary for Commerce and Economic Development (Communications and Technology)</u> (DS(CT)), <u>Principal Assistant Secretary for Commerce and Economic Development (Communications and Technology)</u> (PAS(CT)), gave a power-point presentation to update members on the implementation of digital terrestrial television (DTT) broadcasting in Hong Kong. He highlighted the major points as follows:

(a) *Background of DTT broadcasting*

(i) The implementation of DTT was in good progress. Pursuant to the implementation framework for DTT broadcasting announced by the Government in 2004, the two domestic free television programmes service licensees, i.e. Asia Television Limited (ATV) and Television Broadcasts Limited (TVB), would launch DTT by end-2007 and expand the digital coverage to at least 75% of Hong Kong by end-2008. The two broadcasters would each be assigned a multiplex for launching the new digital services and would simulcast their four existing analogue programme channels in digital format by sharing a joint multiplex.

(ii) Both ATV and TVB would adopt the commonly-used MPEG-2 compression and coding standard when using the shared multiplex for simulcast, and H.264 for the new services to be provided through their individual additional multiplex.

(b) *Rollout of transmission network*

ATV and TVB were building their DTT transmission network in stages. Under Phase I, the first DTT transmission station at Temple Hill would become operational later this year to serve around 50% of the total population of Hong Kong, covering the areas of Kowloon Peninsula, north of the Hong Kong Island, part of Shatin and east of Lantau Island. The construction of five other main transmission stations at Castle Peak, Cloudy Hill, Golden Hill, Kowloon Peak and Lamma Island under Phase II would be completed in stages by end-2008, expanding the coverage to at least 75% of the total population. The completion of the Phase III construction would provide a digital coverage comparable to the existing analogue one, i.e. 99% population coverage, by 2011.

(c) *In-building Coaxial Cable Distribution System (IBCCDS)*

Viewers would need to check with their respective building management to ascertain whether the existing IBCCDS was capable of DTT reception. Upgrading would be necessary if their existing system was not DTT-ready. The Housing Department had agreed to upgrade the IBCCDS for free at all public housing estates in phases for DTT reception. For private housing, the Administration would liaise with and provide relevant information to major property management regarding the upgrading works.

(d) *Supply of DTT receivers*

"Basic tier receivers" capable of receiving and decoding the four MPEG-2 coded programme channels simulcast by ATV and TVB were already available on the local market at a few hundred dollars. "Higher tier receivers" capable of receiving both standard definition television (SDTV) and high definition television (HDTV) programmes would soon come on to the market at a thousand dollars or more, subject to the features they offered. An electrical appliance chain store had started to accept advance booking since mid-October 2007.

(e) *Voluntary labeling scheme*

A labeling scheme to differentiate the two tiers of DTT receivers for voluntary participation by the suppliers of receivers for the Hong

Kong market was expected to be launched within November 2007 to enable consumers to make informed purchase choices according to their needs.

(f) *Promotion and publicity*

To disseminate DTT information and encourage DTT up-take, the Administration would launch a comprehensive publicity package targeting at all sectors of the community including property managers, technical professionals, District Councils and the general public. The channels of publicity and promotion would include a dedicated website, briefing sessions, announcements of public interest on television and radio, information leaflets, and education kits for schools. The Administration would coordinate the publicity efforts with that of ATV, TVB as well as the consumer electronic industry, and would also launch public education programmes jointly with the Consumer Council.

5. A demonstration was conducted at the meeting for members to appreciate the picture quality of both SDTV and HDTV programmes of ATV and TVB transmitted from the Temple Hill DTT station as well as the picture quality of live HDTV direct-feed shooting. Members noted that with the use of a typical terrestrial antenna and a DTT decoder, DTT programme channels could be received in good quality even when the propagation path from the Temple Hill station was blocked by the buildings in the vicinity.

Discussion

Expediting the roll-out of transmission network

6. Mr SIN Chung-kai noted with concern that the construction of five main transmission stations at Castle Peak, Cloudy Hill, Golden Hill, Kowloon Peak and Lamma Island would not be completed and ready for operation in time for the 2008 Beijing Olympics in August 2008. He urged the Administration to target at completing the five transmission stations by June/July 2008 at the latest, allowing time for the electronic manufacturers to produce sufficient DTT receivers for the Hong Kong market and for the public to purchase and install the set-top boxes.

7. In response, DS(CT) and Senior Telecommunications Engineer (Advisory & Support) (STE(AS)) said that the construction of the five transmission stations under Phase II would be completed in stages on or before end-2008, by which time the reception areas would cover at least 75% of the total population of Hong Kong. The construction of the stations at Castle Peak, Golden Hill and Kowloon Peak was progressing well and, depending on the subsequent construction progress and subject to weather conditions, there could be a good chance for the Phase II transmission network to be ready in time for the 2008 Beijing Olympics due to commence on 8 August 2008. PAS(CT) added that both ATV and TVB were keen on an early roll-out and the Administration would liaise closely with the two

broadcasters to achieve the greatest digital coverage possible before the start of the 2008 Beijing Olympics.

(*Post-meeting note*: ATV and TVB have committed to advance to 75% coverage target from end 2008 to early August 2008 so that more people will be able to watch Beijing Olympics with digital broadcast.)

8.   Mr Albert CHAN expressed great disappointment that 25% of the local population would not be DTT-covered and could not enjoy HDTV viewing of the 2008 Beijing Olympics.   He regarded it a shame of the Hong Kong Special Administrative Region and a remiss of the Hong Kong Government that Hong Kong not only lagged behind most advanced economies such as Canada but was even more backward than some rural provinces in the Mainland where TV broadcasts were digitized.   He strongly urged the Government to review its policy in this respect.   He also enquired what assistance the Government would render to the broadcasters and what measures or financial assistance the Government would offer to the public to ensure that all people in Hong Kong could view the 2008 Beijing Olympics in HD format by August 2008.   In this regard, the Chairman remarked that the remaining 25% of the population outside DTT coverage could still view the 2008 Beijing Olympics in analogue format.

9.   In response, DS(CT) pointed out that while 75% digital coverage would be achieved by 2008, to achieve a close to 99% coverage would need some 20 more transmission stations, the construction of which would take time.   PAS(CT) further advised that apart from terrestrial TV which had yet to be digitized, currently all the pay television and satellite television services in Hong Kong were already digitized. He clarified that although satellite TV in most advanced countries were digitized, they might not necessarily be in HD format.   In fact, Hong Kong's DTT implementation was on a par with most other countries.   He assured members that the Administration would work closely with the two broadcasters to increase the digital coverage as early as practicable and hopefully to achieve more than 75% coverage by end-2008 and close to 99% coverage by 2011.

10.   Mr Albert CHAN remained unconvinced.   He strongly requested that part of the $150 million allocated for the publicity and promotion of the 2008 Beijing Olympics be used to expedite the roll-out of transmission network to achieve close to 99% digital coverage by the 2008 Beijing Olympics.   Mr SIN Chung-kai shared his view.

DTT reception in premises with no communal antenna

11.   Mr Albert CHAN raised concern about DTT reception in old private single-block buildings in areas such as Sham Shui Po, Tsuen Wan and Wanchai. He asked what measures the Government would take to facilitate the digital reception in these old buildings where there was no communal antenna.   Referring to the earlier demonstration on live reception of signals from Temple Hill transmission stations, DS(CT) highlighted that with the installation of a basic-tier DTT receiver, a typical off-air antenna could already provide quality pictures of the

four programme channels simulcast by TVB and ATV in digital format.   There was no need to replace the antenna or change the television set.

Soft launch of DTT

12.   Mr SIN Chung-kai noted that the two broadcasters were presently conducting technical trial of national DTT broadcasting system in Hong Kong and that due to regulatory restrictions, they could only use repetitive non-commercial programmes for testing purpose.   He suggested that DTT should be soft-launched as early as possible prior to the formal launch scheduled for end-2007 to enable early detection and resolution of any technical problems and for the two broadcasters to receive feedback from viewers for further enhancement.   To arouse the interests of the public in purchasing the set-top boxes and thus encouraging early DTT take-up, Mr SIN suggested the Administration to consider relaxing the regulatory restrictions, thereby allowing the two free TV broadcasters, i.e. ATV and TVB, to use more entertaining programmes for their four existing analogue programme channels for the soft launch.   Sharing his view, the Chairman called on the Administration to seriously consider relaxing or removing the restrictions on the use of commercial programmes for the DTT soft launch. Concurring with Mr SIN Chung-kai and the Chairman, Mr Albert CHAN said that an early DTT soft launch would benefit all parties concerned.

13.   In response, STE(AS) and PAS(CT) explained that the current technical trial was mainly for "interference testing" purposes and the permit issued by the Telecommunications Authority to the two free TV broadcasters required that the trial should be conducted on a non-commercial basis.   Acknowledging the benefits of an early soft launch and noting members' suggestion, PAS(CT) and DS(CT) assured members that the Administration would liaise closely with ATV and TVB on the matter.   Details of the arrangements for the soft launch, once finalized, would be announced.

(*Post-meeting note*: ATV and TVB carried out DTT soft launch in early December 2007.)

Health risks of DTT

14.   Dr Philip WONG was concerned whether DTT broadcasting would have any adverse impact on health, particularly, on the eye.   He enquired whether the Administration had any plan to conduct a study in this respect or whether any overseas countries had ever conducted such study that could be used for reference. In response, STE(AS) said that DTT broadcasting, as compared with analogue broadcasting, would provide more stable images and a better picture quality which was free from ghosting and snowing.   DS(CT) remarked that DTT broadcasting had been launched in a number of overseas countries and so far there was no report on DTT posing any health risks.   At the request of the Chairman, the Administration undertook to provide information in this regard to the Panel, if available.

Admin

Voluntary labeling scheme

15.   Referring to the voluntary scheme to label DTT receivers to be sold in Hong Kong, the Chairman enquired whether the Administration would consider making the scheme mandatory for better regulation.   Director-General of Telecommunications (DG of T) explained that the purpose of the scheme was to provide information to assist the viewing public to make informed purchase choice of DTT receivers according to their needs.   Participation on voluntary basis was considered appropriate at the present stage as it was anticipated that market forces would drive suppliers of consumer electronics products to join the scheme to increase consumer confidence in their products.   In this respect, members noted that no fees would be charged for participation in the scheme and that the labeling tag for "basic-tier" and "higher-tier" receivers would state clearly their respective reception capabilities.

Television reception and availability of domestic free television programme services in remote areas

16.   Mr Albert CHAN expressed great disappointment that under the existing policy guidelines, small communities of less than 300 people in remote areas in Tai O and Sai Kung were still not covered by the free TV programmes of ATV and TVB.   He considered it unacceptable and strongly urged the Administration to review the relevant policy and, if need be, to inject public funds to set up transmission towers and provide the essential infrastructural facilities to ensure territory-wide coverage.

17.   In response, DS(CT) said that the Administration would conduct a comprehensive study to review the overall situation in Hong Kong and would report the findings to the Panel for further discussion.   The Chairman shared with members that during a recent informal meeting with the Secretary for Commerce and Economic Development (SCED) to discuss the Panel's workplan for the current legislative session, SCED had indicated that case-specific TV reception issues would be handled by administrative means.   Members noted that the matter would be discussed in the 2008-09 legislative session.

V.   Capital Works Reserve Fund Head 710 Computerization Subhead A007GX – New administrative computer systems
    (LC Paper No. CB(1)203/07-08(05)   --   Paper   provided   by   the
                                             Administration)

Presentation by the Administration

18.   At the invitation of the Chairman, the Deputy Government Chief Information Officer (Operation) (DGCIO(O)) briefed members on the 2008-09 funding requirements for implementing computerization projects costing above $150,000 but not exceeding $10 million each under the Capital Works Reserve Fund (CWRF) Head 710 Computerization Subhead A007GX – New administrative

computer systems. Based on the proposals submitted by Government bureaux and departments (B/Ds), a block allocation of $600 million was estimated to be required for 2008-2009 to fund a total of 378 administrative computer system projects. These included $437 million for the 262 projects initiated in 2007-2008 or earlier, and $163 million for 116 new projects. The proposed 2008-2009 block allocation of $600 million represented an increase of 11% over the $540 million provision for fiscal year 2007-2008. Members noted that subject to the Panel's support, the funding request would be submitted to the Finance Committee for consideration on 11 January 2008 following endorsement by the Public Works Subcommittee.

Discussion

Strategies and measures to promote and facilitate e-government initiatives in Government Bureaux and Departments

19. Mr SIN Chung-kai recalled that before the economic downturn and fiscal deficit of 2002-2003, the CWRF block allocation and expenditure under subhead A007GX had been as high as $700 million. He was disappointed that the allocation had dwindled since then to around $500 million in the past few years. He noted with concern that despite the 11% increase in the proposed CWRF block allocation to $600 million for 2008-2009, the increase in the funding requirements and allocation for administrative computer projects over the past few years had lagged behind the rebounce in fiscal fundamentals in recent years. He sought explanation on the apparent low rate of increase in the funding requests and allocation.

20. DGCIO(O) said that the Office of the Government Information Officer (OGCIO) had encouraged B/Ds, when preparing their annual budgets, to review their overall business operations and service delivery to proactively identify opportunities for integrating e-government into their overall business plans so as to improve services to the public and to attain greater efficiency and productivity. While sharing Mr SIN's observation that the allocation for the past few years had remained around $500 million, he highlighted that the increase by 11% from $540 million (2007-2008) to $600 million (2008-2009) was mainly due to the increased number of approved projects and new bids (making a total of 279 new and ongoing projects) submitted by B/Ds for 2008-2009. He said that a number of B/Ds had taken the initiative to formulate new computerization project proposals to extend the use of IT, which was an encouraging sign. He pointed out in addition to the proposed block allocation of $600 million for projects costing between $150,000 and $10 million each, there were other projects costing more than $10 million which were subject to the specific approval of the Finance Committee of the Legislative Council and to be funded under separate subheads.

21. Mr SIN Chung-kai noted with concern that some Government B/Ds had gone opposite directions in the implementation of the key e-government initiatives and the Digital 21 Strategy. Citing the Immigration Department's launch of the e-channels as an example, he observed that Government B/Ds that were

experienced in computerization and the integration of e-government into their overall operation model were more ready to go further towards automation and electronic solutions, while departments that had little or no experience in IT development and application were dragging their feet. He was concerned that with the setting up of the Information Technology Management Unit (ITMU) and the Government's policy of devolving management responsibilities for IT projects to B/Ds, some departments in need of automation might be limited by insufficient manpower and impeded by the lack of management and technical know-how to embark on IT initiatives. He said that delays in the implementation of e-government initiatives for better delivery of services and higher operational efficiency would prove to be costly. He asked whether the Administration had drawn up comprehensive and integrated strategies and put in place measures to systematically and specifically assist those B/Ds that were relatively slow in automation and computerization to catch up on e-government initiatives.

22. DGCIO(O) said that the Administration had considered the issues and had earlier commissioned a consultancy study to examine and address the underlying issues and come up with recommendations. The recommendations of the study would be taken forward to encourage and facilitate integration of e-government and the adoption of e-business solutions in B/Ds. He said that about 60 departments had so far set up ITMU to provide direct advice and support to the lines of business of B/Ds, while OGCIO would provide central services and advice.

Admin   23. At the request of the Chairman and Mr SIN Chung-kai, DGCIO(O) undertook to provide information on the allocation under CWRF Head 710 Computerization for the past seven years, showing the amount of allocation and expenditure by B/Ds.

Outsourcing of information technology services and manpower requirements

24. In response to Mr Albert CHAN's enquiry on the make-up of the project estimate for the new proposals listed in Annex B to LC Paper No. CB(1)203/07-08(05), DGCIO(O) clarified that the estimated amount referred only to the cost of software and hardware systems and external services. They did not include personal emoluments of government staff. On Mr CHAN's enquiry about the present Government IT manpower resources, DGCIO(O) advised that excluding contractors for outsourced projects, the Government's IT personnel count stood at around 2,300, including both civil servants and contract staff. They were deployed in various B/Ds with the OGCIO performing a central coordination role. Where considered appropriate, the OGCIO would assist B/Ds to obtain IT services through the standing offer agreements or by drawing up separate service agreements on outsourcing.

25. Noting the Government's practice on contracting out, particularly during the time of financial stringency in 2000s, Mr Albert CHAN expressed great reservation on the Government's over-reliance on consultancy and outsourcing. He held that under normal circumstances, Government departments should have sufficient in-house IT personnel to support its internal IT development and

formulate IT strategies. He queried whether out-sourcing was the best solution and whether the commissioning of outside consultancy study was a healthy practice.

26. In response, DGCIO(O) said that in terms of the new projects listed in Annex B, there was no question of over-reliance on outside consultancy as the majority of the projects were development and implementation proposals on new initiatives. He added that to take forward IT initiatives during the time of containing the size of the civil service, contracting out was adopted by departments to meet the demands for IT manpower. Even so, Government IT staff were deployed in project management, tendering exercises and project monitoring and contract management during implementation of the projects.

27. In this regard, Mr Albert CHAN stated that he did not agree that outsourcing of services, which he considered as a form of exploitation, was a move in the right direction as in-house IT personal had to be deployed to monitor outside contractors. He considered that the Panel should examine whether, as compared with other advanced economies, the Government had relied overly on contracting out and outside consultancy; and whether the Government should have in-house expertise to formulate IT strategies and support IT development in the Government, and if yes, the level of manpower requirements considered appropriate.

28. Referring to his past working experience in Canada, Government Chief Information Officer (GCIO) said that it was important to maintain outsourcing at an appropriate level and to have a right mix of in-house IT staff and outsourcing. While outsourcing was a fact of life, the OGCIO, which had been operating under a zero growth for a long time, was mindful of the need to keep and cap outsourcing at a healthy level, and at the same time making sure there was no conflict of interests. Mr Albert CHAN concurred that some degree of outsourcing might be necessary and suggested that the Administration should make a comparison with similar government set-up in other countries to ascertain what level of in-house IT manpower was considered appropriate to support a Government of 160,000 civil servants. He also requested the Administration to provide information on the present in-house IT manpower resources within the Government, and make an analysis of the present IT manpower situation in the Government in comparison with other governments and advanced countries.

29. Agreeing with Mr Albert CHAN, GCIO said that the Administration would keep in view the situation and monitor the level of outsourcing to ensure a right balance. At the request of the Chairman, GCIO agreed to provide the information as requested by Mr Albert CHAN as far as practicable.

Admin

Summing up

30. Noting that members did not have any objection to the proposed block allocation of $600 million for 2008-2009 for the implementation of computerization projects under CWRF Head 710 computerization subhead A007GX-New administrative computer systems, the Chairman concluded that the

Panel supported the proposal in principle for consideration by the Public Works Subcommittee and the Finance Committee.

VI.   Any other business

31.   There being no other business, the meeting ended at 3:40 pm.

Council Business Division 1
Legislative Council Secretariat
18 December 2007