

**For discussion
on 9 November 2009**

**Legislative Council Panel on
Information Technology and Broadcasting**

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

Introduction

This paper seeks Members' support for the funding requirement for 2010-11 for the implementation of computerisation projects under the Capital Works Reserve Fund (CWRP) Head 710 Computerisation Subhead A007GX – New administrative computer systems.

Background

2. CWRP Head 710 Computerisation is the Head of Expenditure used for funding administrative computer systems, consultancies for feasibility studies and systems development. These projects serve to deliver the strategic outcome of the action area "Enabling the next generation of public services" under the 2008 Digital 21 Strategy. The sources of funding and approving authority of such projects can be broadly classified as follows:

- (a) *Projects costing above \$10 million each* – these projects are subject to the specific approval of the Finance Committee (FC) of the Legislative Council and are to be funded under separate subheads of Head 710. The subject bureaux/departments (B/Ds) as the project owners of these major computerisation projects are responsible for preparing the funding submissions to the FC and monitoring project delivery.
- (b) *Projects costing above \$150,000 but not exceeding \$10 million each* – these projects are funded through a block allocation under CWRP Head 710 Subhead A007GX (the block allocation). The

Financial Secretary has delegated to the Government Chief Information Officer (GCIO) the power to approve projects and authorise expenditure under the block allocation. Projects funded this way are normally called block vote projects.

- (c) *Projects each costing \$150,000 or below* – these projects are approved by individual B/Ds and funded through their respective operational expenses subheads under the General Revenue Account.

3. The proposed block allocation for a given financial year will fund the estimated cash flow requirements arising from block vote projects proposed by B/Ds and approved or to-be approved by GCIO. Each year, the Office of the Government Chief Information Officer (OGCIO) estimates the funding requirements for the block allocation in the following financial year by taking into consideration the cash flow requirements of approved block vote projects, new proposals submitted by B/Ds and anticipated new projects for various e-government initiatives to be submitted, as well as the spending position of the block allocation.

4. To ensure optimal utilisation of funds under the block allocation, the estimated cash flow requirements of approved block vote projects will be reviewed on a half-yearly or quarterly basis subject to the utilisation situation. During the review, project owners need to critically review the project schedule and provide realistic cash flow requirements based on the latest project implementation progress. This arrangement will avoid unnecessary locking up of funds by individual projects and enable GCIO to deploy funds to meet the requirements of other urgent or higher priority projects to be funded by the block allocation.

Funding Requirement for 2010-11

5. Taking into account the proposals submitted by B/Ds and our forecast of other projects to be initiated in the coming financial year, we estimate that for 2010-11, a block allocation of **\$715 million** will be required under Head 710 Subhead A007GX. This includes \$500 million

for 347 projects initiated/ to be initiated in 2009-10 or earlier; and \$215 million for about 233 new projects to be initiated in 2010-11.

6. The proposed allocation of \$715 million for 2010-11 is \$115 million (about 19%) higher than the provision of \$600 million for 2009-10. The higher provision will enable Government to keep pace with the increasing use of information and communications technology for service transformation and improving customer services. We will monitor and manage the use of the approved funds to ensure due adherence to prevailing government policies and relevant legislation, and the proper delivery of the desired outcomes for the key action areas of the 2008 Digital 21 Strategy. To enhance transparency and encourage private sector participation, all approved and proposed information technology (IT) projects have been published on the Digital 21 Strategy website¹ for public viewing since May 2009.

7. The projects to be funded by the block allocation can be broadly classified into the following five main categories:

- (a) projects to protect data and system security;
- (b) projects to maintain systems critical to service delivery;
- (c) projects to enable delivery of policy commitments;
- (d) projects to support Government agencies to relocate to the New Central Government Complex at Tamar; and
- (e) projects to improve customer service and enhance productivity.

A tentative breakdown of the proposed block allocation of \$715 million for 2010-11, to meet the estimated cash flow requirements of projects initiated/ to be initiated in 2009-10 or earlier as well as new projects to be initiated in 2010-11, is at **Annex A**. Examples of new projects to be initiated in 2010-11 are given at **Annex B**.

8. B/Ds are required to observe the following guiding principles in formulating computerisation project proposals:

¹ <http://www.info.gov.hk/digital21/chi/catalogue/cata.html>
<http://www.info.gov.hk/digital21/eng/catalogue/cata.html>

- (a) support e-government strategies for the management and use of information and communications technology;
- (b) integrate e-government into their overall business plans to derive more business benefits and as a fundamental part of their service delivery approach;
- (c) embrace a citizen-centric culture and adopt customer relationship management principles and best practices in the delivery of public services;
- (d) build in service transformation and business process re-engineering in all organisation/business reviews;
- (e) proactively identify opportunities for joining up services across departmental boundaries, take ownership of the projects and account for their performance/benefits; and
- (f) rationalise service delivery channels and migrate customers to the most efficient, user-friendly and cost-effective channels.

Submission of Funding Application to FC

9. Funding approval for all CWRF block allocations (including the Subhead A007GX block allocation) will be sought from FC (tentatively in January 2010), after endorsement by the Public Works Subcommittee (tentatively in December 2009).

Advice Sought

10. Members are invited to give support to the proposed block allocation to be sought from FC for CWRF Head 710 Subhead A007GX in 2010-11.

**Office of the Government Chief Information Officer
Commerce and Economic Development Bureau
November 2009**

**Tentative Breakdown of the Proposed Block Allocation for 2010-11
under CWRP Head 710 Computerisation
Subhead A007GX – New administrative computer systems**

	No. of Projects	Tentative Allocation (\$'M)
Projects initiated / to be initiated in 2009-10 or earlier	347	500
New Projects to be initiated in 2010-11	233	215
(a) To protect data and system security	(38)	(24)
(b) To maintain systems critical to service delivery	(24)	(29)
(c) To enable delivery of policy commitments	(9)	(10)
(d) To support Government agencies to relocate to the New Government Complex at Tamar	(23)	(55)
(e) To improve customer service and enhance productivity	(139)	(97)
Total:	580	715

**Examples of New Projects Seeking Funding
under the Proposed Allocation for 2010-11
CWRF Head 710 Computerisation Block Allocation
Subhead A007GX – New administrative computer systems**

Item No.	Project Description	Project Estimate (\$'M)
(a) To protect data and system security		
1.	Enhancement of Network Access Control and Network Services Security (Judiciary)	7.449
2.	Information Security Governance over Bureaux / Departments (Office of the Government Chief Information Officer)	5.500
3.	Enhancement of IT Security Infrastructure (Trade and Industry Department)	4.686
4.	IT Security Audit and Risk Assessment (Immigration Department)	3.618
(b) To maintain systems critical to service delivery		
5.	Re-development of the Long Term Care Services Delivery System (Social Welfare Department)	9.996
6.	Revamp of Online Outline Zoning Plan Internet / Intranet Services (Planning Department)	9.767

Annex B

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| 7. | Licensing and Livestock Information Flow Control Systems – Import and Export System
(Agriculture, Fisheries and Conservation Department) | 3.214 |
| 8. | Enhancement of e-filing of tax returns and other e-Services under e-Tax at GovHK
(Inland Revenue Department) | 2.500 |

(c) To enable delivery of policy commitments

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| 9. | Data Management System for Mandatory Building Energy Code
(Electrical and Mechanical Services Department) | 9.394 |
| 10. | Tree Management System
(Development Bureau) | 5.687 |
| 11. | Volatile Organic Compounds Control Enforcement IT System
(Environmental Protection Department) | 4.200 |
| 12. | Redevelopment of Computer System and Printing System of the Senior Citizen Card Scheme
(Social Welfare Department) | 2.100 |

(d) To support Government agencies to relocate to the New Central Government Complex at Tamar

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| 13. | Relocation of IT facilities to New Central Government Complex at Tamar
(Innovation and Technology Commission) | 7.783 |
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| 14. | Provision of IT facilities in the Tamar Central Government Complex
(Education Bureau) | 4.400 |
| 15. | Migration of IT facilities to the New Central Government Complex in Tamar
(Food and Health Bureau) | 3.740 |
| 16. | Installation of a new set of Central Cyber Government Offices live broadcasting equipment at New Central Government Complex at Tamar
(Office of the Government Chief Information Officer) | 3.209 |

(e) To improve customer service and enhance productivity

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| 17. | Implementation of Department-wide Output Production System
(Census and Statistics Department) | 9.885 |
| 18. | Voting Validation and Counting Automation System
(Registration and Electoral Office) | 9.537 |
| 19. | Implementation of First Registration Tax System (Phase II)
(Customs and Excise Department) | 8.423 |
| 20. | Greening Master Plans Information System
(Civil Engineering and Development Department) | 8.000 |