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

**Policy Initiatives of Communications and Technology Branch,
Commerce and Economic Development Bureau**

Introduction

This paper outlines the major initiatives related to the Communications and Technology Branch of the Commerce and Economic Development Bureau under the 2010 Policy Address and Policy Agenda. As for innovation and technology issues, we will brief the Panel on Commerce and Industry separately.

Developing the Infrastructure for Economic Growth

New Initiatives

Initiative : Ensuring the smooth network rollout by the mobile TV licensee for the provision of broadcast-type mobile TV services to cover 50% of the population within 18 months.

2.   The auction on the radio spectrum for provision of broadcast-type mobile TV services was successfully held in June this year. The successful bidder was granted a unified carrier licence in August this year. According to the licence, the licensee is required to provide network and service coverage to at least 50% of the Hong Kong population within 18 months from the issue of the licence (i.e. in or before February 2012).

3.   The licensee concerned is planning to co-locate its transmitters at the existing principal hilltop stations of the digital terrestrial TV broadcasters. The relevant parties are negotiating the conditions for sharing the use of the station facilities. We will provide necessary assistance and guidance and monitor the progress of the network rollout so that broadcast-type mobile TV services will be made available to the viewing public in a timely manner.

Initiative : Conducting public consultation on applying spectrum utilisation fees to administratively assigned spectrum to encourage more efficient use of the scarce frequency resources.

4.　　As stated in our Radio Spectrum Policy Framework, the spectrum policy objective is to facilitate the most economically and socially efficient use of spectrum.　In this connection, we propose to establish a charging regime for existing spectrum which is administratively assigned.　We plan to conduct public consultation on such proposal in the fourth quarter of this year, and will brief the Panel on Information Technology and Broadcasting (the Panel) in advance.

Initiative: Studying the implications of the development of the next generation networks on the regulation of telecommunications services.

5.　　The communications market has been making every effort to keep up with the rapid development in technologies. Telecommunications operators in Hong Kong are now taking steps to transform their network infrastructures from the traditional public switched telephone networks into next generation networks (NGN) which are based on Internet protocol.　Coming with this development trend is increased versatility of the communications network, with a number of regulatory issues to be addressed.　It has become necessary for us to study the changes and examine how our regulatory approach can keep pace with the ongoing development.　In this respect, we plan to commission a consultancy study to look at the implications of the NGN on the regulation of our telecommunications services.　The study will be launched in the first quarter of next year.

Initiative : Reviewing the government IT infrastructure and strategy to take account of the likely effects of cloud computing and the benefits it may generate.

6.　　The adoption of the cloud computing model to provide effective and efficient delivery of e-government services will have major implications.　We will explore the opportunities and benefits of adopting cloud computing by giving due consideration to aspects like service level, privacy and security, application development, as well as technical and financial implications.

Initiative : Planning for the next generation of the GovWiFi programme.

7.   To help develop Hong Kong into a "Wireless City", we launched the Government Wi-Fi (GovWiFi) Programme in 2007 to provide free Wi-Fi services on government premises for use by the public. Currently, free Wi-Fi services are being provided at around 400 government premises. The services are in great public demand. We have recently completed a review and confirmed that there is a continual need of the GovWiFi services. We plan to arrange the Next Generation GovWiFi Programme with upgraded services to dovetail the existing one upon the expiry of the contract with the current operator by December 2012.

8.   In the coming months, we will collect information from the industry on market services and explore the option of arranging the Next Generation of GovWiFi services. We aim at coming up with a plan and a sourcing strategy for the new Programme by March next year. We will brief the Panel on the details later on.

On-going Initiatives

Initiative : Extending progressively the territory-wide coverage of digital terrestrial television with the building of supplementary transmission stations and closely monitoring the take-up situation, market and technology development of digital terrestrial television.

9.   Since the successful launch of Digital Terrestrial Television (DTT) at the end of 2007, the coverage of DTT services has been progessively extended by phases. With more new supplementary transmission stations to be put into service from end of this year to early next year, the coverage will be further extended beyond the current level of 85% of the population. DTT has been generally well-received by the public. According to a survey conducted in September this year, more than two years after the launch of DTT, about 61% (approximately 1 410 000) households are watching DTT via DTT receivers (including set-top boxes or integrated digital television sets) or computers.

Initiative : Implementing progressively the plans for Radio Television Hong Kong to serve as a public service broadcaster.

10.   Following the announcement of the Government's decision in September last year to retain Radio Television Hong Kong (RTHK) as a government department and task it to take up the mission to serve as a public service broadcaster, we have conducted extensive consultation on the future operation of RTHK.   In August this year, we promulgated the RTHK Charter and set up the RTHK Board of Advisors, signifying a milestone in RTHK's development.   RTHK is planning and preparing for the implementation of various new services, including the launch of digital audio broadcasting and digital terrestrial television, facilitating community participation in broadcasting as well as reprovisioning of the Broadcasting House.   We will update the Panel of the progress in due course.

Initiative : Pressing ahead with the enactment of the Communications Authority Bill to establish the Communications Authority in order to enhance regulatory co-ordination and facilitate the further development of the electronic communications industry.

11.   We introduced the Communications Authority (CA) Bill into the Legislative Council in June this year to establish a unified regulator for the entire communications industry.   A bills committee has been set up in the Legislative Council to consider the Bill and two meetings have been held so far.   We hope that the committee would conclude its deliberation promptly for the passage of the Bill.

Initiative : Preparing for the auction of the radio spectrum in the 850 MHz, 900 MHz and 2 GHz bands for the further development of public mobile services.

12.   After the consultation with the Legislative Council and the industry, we have decided to release the available radio spectrum in the 850 MHz, 900 MHz and 2 GHz bands for auction for the further development of mobile services.

13.   We have completed the amendment of the subsidiary legislation of the Telecommunications Ordinance in July this year to facilitate the auction of the spectrum.   The preparation work of the auction exercise is underway and it is expected that the auction of the spectrum will take place early next year.

Initiative : Reviewing procedures to make it simpler and speedier for interested parties to install new submarine cables in Hong Kong, with or without affiliated data centres in cable landing stations.

14.   The landing of more submarine cable in Hong Kong helps strengthen our position as Asia's telecommunications hub. We have at an earlier time completed a consultancy study on streamlining the procedures for landing submarine cables. We have put into place the recommendations of the consultant, including the introduction of a dedicated webpage on landing submarine cables in Hong Kong, the provision of a single contact point for those who apply to land submarine cables, the setting up of a special working group to handle the applications, etc. We will closely monitor the interest of concerned parties and provide them with timely assistance.

Initiative : Continuing to review the local access charge for interconnection between the local network operators and external telecommunications service providers to ensure a fair and updated regulatory regime conducive to service and technology developments in the telecommunications market.

15.   Local access charge is an interconnection charge paid by the external telecommunications service (ETS) providers to compensate local fixed or mobile network operators for the delivery of ETS traffic. To ensure that the existing regulatory regime, which was introduced in 1999, progresses with time, the Office of the Telecommunications Authority (OFTA) launched a review and a public consultation exercise at the end of last year on the regime. We briefed the Panel on the progress in June this year. The OFTA is considering the views collected and plans to conduct another consultation on the proposed options at the end of this year.

Initiative : Developing new action plans based on the key focus areas in the Digital 21 Strategy and the Statements of Desired Outcomes, so as to harness the benefits of IT for business and citizens and to strengthen Hong Kong's position as a leading digital city in the world.

16.   The Digital 21 Strategy lays down the blueprint for Hong Kong's development in information technology, promoting Hong Kong as a leading digital city.

17.   To help us define goals and measure progress, we have developed Statements of Desired Outcomes for each of the key action areas of the 2008 Digital 21 Strategy. We have developed a list of performance indicators for measuring progress towards these objectives and consulted the Digital 21 Strategy Advisory Committee.

18.   Using the desired outcomes and progress measurement as our guide, we will regularly review the results of initiatives of the Strategy and consider refining the portfolio of the strategic programmes. We will update the Panel on the progress of initiatives under the Strategy.

<u>Initiative</u> : Upholding our information security policies and practices and developing a strong culture of data protection. Continuing to promote information security to the public on the proper use of computing facilities and ways to protect their computer resources and information assets.

19.   The Government accords great importance to information security. We have established comprehensive security policies and practices on data protection for the Government staff to comply with. As an ongoing process, we will continue to reinforce information security in the Government aiming at improving staff awareness and education; enriching technical and procedural measures; enhancing risk management and monitoring; and regularly reviewing security regulations, policies and guidelines.

20.   We will continue to promote information security to the public. We will make use of different publicity channels including providing reference resources on our one-stop information security portal and organising seminars and conferences on information security in collaboration with the industry and professional bodies. The Hong Kong Computer Emergency Response Team Coordination Centre operated by the Hong Kong Productivity Council will continue to provide support to the community with enhanced incident discovery, reporting and response handling mechanisms.

<u>Initiative</u> : Examining the economic benefits attributable to data centres to promote Hong Kong as a data centre hub.

21.   The Government supports the development of data centre service

in Hong Kong.   We have been communicating with the local data centre related sectors to understand their needs.   A study has been commissioned in May this year to evaluate and further analyse the socio-economic benefits data centres will bring with a view to promoting Hong Kong as a data centre hub.   The study will be completed in December and we will update the Panel of the progress then.

__Quality City And Quality Life__

__New Initiatives__

__Initiative : Preparing for the launch of digital audio broadcasting service including processing applications submitted by commercial operators.__

22.	In this February, the Government announced the development framework for digital audio broadcasting (DAB) services in Hong Kong and invited interested parties to submit licence applications to the Broadcasting Authority (BA). The BA is now processing three applications from Metro Broadcast Corporation Limited, Wave Media Limited and Phoenix Radio Limited respectively in accordance with the Telecommunications Ordinance, and will make recommendations to the Chief Executive in Council in due course.

__Initiative : Processing applications for domestic free television programme service licence submitted by commercial operators.__

23.	The BA has received three applications for domestic free television programme service licence from City Telecom (HK) Limited, Fantastic Television Limited and HK Television Entertainment Company Limited respectively. Evaluation of these applications in accordance with the Broadcasting Ordinance is in progress. The BA has conducted public consultation and updated the Panel. We expect that the BA will make recommendations to the Chief Executive in Council for granting licences, if any, in the first half of next year.

__Initiative : Formulating and implementing a Green Data Centre Strategy to reduce carbon footprints and environmental impact in government data centre operations.__

24.   We will formulate and implement a green data centre strategy for reducing carbon footprints and environmental impact in government data centre operations.   Through implementation of this strategy, we plan to introduce a set of best practices and common metrics of green data centre management for reference and adoption by bureaux/departments.

Initiative : Nurturing creative talent in Hong Kong through sponsoring a specialised technical training programme to provide skilled workforce at frontline level for the local film industry; and supporting our creative talent to participate in overseas competitions to showcase Hong Kong's creativity and to gain international status.

25.   To help train up frontline workers for various disciplines of the local film industry, the Government has subsidised the Federation of Hong Kong Filmmakers to organise a one-year "Film Professionals Training Programme" through the Film Development Fund.   The training programme aims to provide specialised technical training to the trainees according to their attributes, enhance their professional knowledge and skills, and enable the trainees to join the industry immediately upon completion of the training programme.

26.   Through the $300 million-CreateSmart Initiative (CSI) established in 2009, we have sponsored projects for creative talent in the local digital entertainment and advertising sectors to participate in international competitions in Japan and France, whereby Hong Kong is honoured in winning some major awards.   The CSI will continue sponsoring more creative talent to participate in overseas competitions and gain international exposure.

Initiative : Working closely with our creative industries to develop signature events for the different creative sectors, with a view to enriching Hong Kong's creative events calendar, and establishing the city as the prime location for holding creativity events in the region.

27.   The CSI will sponsor the development of several signature events, including the first large-scale music showcase to be held next year for featuring the top and promising new music artistes in Asia, which will provide an excellent occasion for the record companies in the region to identify the emerging superstars in the music industry.   In addition, an

Asian TV awards presentation is being planned to invite the top-notch leaders of the TV industry as judges and guests to honour the TV producers and practitioners in the region.   Both events are planned for TV broadcast in various Asian countries and regions so as to promote Hong Kong music and TV industries and their works to more Asian audience as well as our capability to stage mega events.   Moreover, the digital entertainment industry is planning to organise a game-related regional trade show and awards presentation, as well as to promote Hong Kong as the hosting city for "SIGGRAPH Asia 2011/2012", etc.   We will also pool together the InnoTech Month and the Business of Design Week to be held in this November and December to enhance the scale and effectiveness of the events.

Initiative : Supporting the creative industries in using the new media to explore new markets and promote Hong Kong's creative industries worldwide.   This includes funding the establishment of an online platform to showcase local architectural works, as well as supporting the local comics sector to develop a mobile distribution platform to facilitate promotion and distribution of Hong Kong comics locally and overseas.

28.   We will, through the CSI, support the local comics industry to develop a new mobile phone-based platform whereby smart phone users around the world can easily browse and buy the electronic Hong Kong comics.   The local architectural sector is also setting up an online platform to showcase the works of the local architects in 3D format.

On-going Initiatives

Initiative : Continuing with the mid-term review of the two commercial sound broadcasting service licences with a view to gauging public feedback and formulating proposals to improve the radio services provided by the licensees.

29.   The existing licences of Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited will expire in 2016.   The BA is carrying out the mid-term review of their licences as well as conducting a two-month public consultation exercise ending 15

November this year. The BA plans to submit its report and recommendations on licence amendments to the Chief Executive in Council in the first half of next year. We will update the Panel on the progress of the review.

Initiative : Continuing to enhance the Governmental portal, GovHK, to provide more personalised interface for services and information to better meet the needs of users.

30. To further pursue our principle of "people-based governance", we aim at continuously improving our e-government services delivery with a view to bringing more convenience to the general public. We have revamped GovHK in March this year to provide services in a more efficient and effective manner. We have also introduced some new features, including smart menu, goal-oriented approach, sharing of content through social networking media and personalised colours, in order to turn the portal into a more lively one. Along with the revamp, an enhanced mobile version of GovHK, the "One-click-access Mobile GovHK", has also been rolled out. This not only features the full content of GovHK, but also enables access to dynamic data and government videos in just one-click in leading mobile devices. This version is also designed to cater for the special needs of the visually impaired users.

31. We are now developing a personalised version of GovHK (MyGovHK). This will make it easier for citizens to use the services that are most relevant to them. By the end of this year, we will provide a personalised homepage, e-alerts and easy sign-on function for users to access different online public services via an integrated user account.

Initiative : Considering the way forward on the review of the Control of Obscene and Indecent Articles Ordinance in light of public opinion received.

32. In regulating the publication of articles, our policy objectives are to strike a proper balance between preserving the free flow of information and safeguarding freedom of expression on the one hand, and reflecting the moral standard of the society so as to protect our young people from the harmful effect of indecent and obscene articles on the other hand. The Government conducted a comprehensive round of public consultation on ways to improve the current regulatory regimelast year. During the

consultation, we received over 18 000 written submissions from the public. We are now planning the next stage of work in light of public opinion received.

Initiative : Promoting the development of the film industry by implementing recommendations from the Film Development Council; promoting Hong Kong films and directors to the Mainland, Taiwan and South East Asian markets through organising film festivals and business matching activities in these places; and taking forward the development of a digital distribution network to facilitate distribution of film from overseas sources to local digital cinemas through electronic means.

33.   To help the Hong Kong film industry further develop the markets in the Mainland, Taiwan and Southeast Asia, we will continue to organise Hong Kong film festivals and business matching activities in these places to promote Hong Kong films as well as the works of Hong Kong film directors to the local audiences. In January this year, we organised a Hong Kong-Mainland film business matching forum in Guangzhou and subsequently in May the first Hong Kong film festival in Guangzhou to promote the film projects of Hong Kong film directors and Hong Kong films to the audience in the Mainland. We will organise a similar film festival and business matching forum in Shanghai during the Hong Kong Week of Shanghai Expo in late October to further promote Hong Kong films and to help Hong Kong film directors explore business opportunities in the Mainland.

34.   We have subsidised, through the Film Development Fund, the Digital Media Centre (DMC) of the Cyberport to conduct a pilot project which uses the existing optical fibre system in Hong Kong to set up a high-speed telecommunication network transfer system to enable digital film files to be transferred from overseas film suppliers directly to the DMC, and then to the local cinemas and post-production companies. This transfer system would provide an efficient, safe and reliable content transfer platform to the local film industry, thereby better preparing the industry to cope with the global development of digital cinema and enhancing the competitiveness of the industry. The pilot project is expected to be completed in mid-2011. The effectiveness of the pilot project will be assessed upon its completion.

Initiative : Encouraging the local creative industries to make good use of the $300 million CreateSmart Initiative to support projects conducive to the development of the industries.

35.   The $300 million CSI was launched in June last year together with the establishment of the Create Hong Kong to support projects that are conducive to the development of the local creative industries. As at September this year, we have received about 100 applications, and have granted funding for 35 of them with a total allocated amount of $67 million. These projects include promoting Hong Kong as Asia's creative capital by organising signature events, providing sponsorship for the industries to attend overseas trade shows and competitions, as well as organising business matching activities for the industries to explore potential investors and business partners. We will continue to work with the organisations in the creative industries to encourage better utilisation of the CSI.

Initiative : Assessing the submissions received for transforming the former Police Married Quarters on Hollywood Road (i.e. the original site of the Central School) into a creative industries landmark. We will work closely with the selected non-profit-making organisation (NPO) and the local creative industries to implement the revitalisation project.

36.   One of our strategies to drive the development of the creative industries is to establish clusters which will become the focal point of the creative economy. The Chief Executive has proposed in his Policy Address earlier on to transform the former Police Married Quarters on Hollywod Road into an iconic creative industries centre.

37.   The Government launched in March this year an exercise to invite proposals for operating the centre. We will soon complete the exercise to select the future operator of the site. We will then work closely with the selected operator and the local creative industries to implement the transformation project and establish the site as a regional centre for creative industries.

Investing for a Caring Society

On-going Initiative

Initiative : Continuing with the implementation of the District Cyber Centres scheme, to extend the support service to more affiliated centres with a view to enabling needy local residents in more districts to gain access to the rich pool of information and knowledge in cyber space.

38.   Since the launch of the District Cyber Centres scheme in last February, 57 affiliated centres have been engaged to provide services in various districts, including 24 cyber centres newly recruited in July this year. We aim at enhancing the capacity of district-based cyber centres through strengthening the co-ordination and support network for the provision of more effective and quality services.

39.   The scheme subsidised the purchase of desktop and laptop computers for the affiliated centres to support their provision of computer facilities and trainings for different needy communities in various districts. Some 20 000 needy local residents have received ICT related trainings and support services through the affiliated centres. A mobile truck equipped with laptop computers travels round the territories both to promote the scheme and to support the outreach trainings and other related outdoor activities organised by the affiliated centres. The scheme also organises annual cyber community award programme to recognise the achievement of the affiliated centres and their users in supporting the scheme. The scheme will continue to expand its support network as well as further enhance its services to different needy groups.

Initiative : Continuing with the implementation of the dedicated portal for the elderly to provide one-stop information service on elderly services and the silver hair market with a view to enhancing the elderly's access to the rich pool of online information and services and expanding their circles of life through the Internet.

40.   The Portal, named "eElderly", has been put into service since mid June this year, with a launching ceremony held on 13 June. It serves as the entry portal for the elderly, integrating information around their

interests, such as those related to their daily lives, medical and health, housing and care, life-long learning, social and recreational activities, as well as the silver hair market information.

41.   The Portal will continue to develop with more relevant information and services of interest to the elderly and also collaborate with the elderly-based district service centres in promoting the Portal and information technology training and support to the elderly in different districts. Apart from NGOs providing elderly services, other private companies and relevant government departments have also joined as partners of the Portal. They support the Portal through cash sponsorship, in-kind donation of professional support, products and services, etc. Moreover, the Portal is exploring collaboration opportunities with the Elder Academy.

<u>Initiative</u> : Actively planning for the launch of a five-year programme to help primary and secondary students from low-income families acquire suitable and affordable computers and Internet access for on-line learning at home, and providing necessary training and technical support to these students and their parents on safe and healthy use of the Internet.

42.   In this digital age, the younger generation increasingly uses the Internet in their learning activities. In order to mitigate the impact of digital divide on the quality of learning, we are implementing a five-year support programme to help students from low-income families acquire affordable and suitable computers and Internet access for on-line learning at home, and provide the students and their parents with complementary training and technical support on safe and healthy use of the Internet. The Finance Committee approved in May this year a funding provision of $220 million for implementing the programme through a non-profit-taking organisation.

43.   We invited implementation proposals from interested organisations in May this year.   Evaluation of the proposals is in progress and we hope that the selected organisation can launch the services as soon as possible before the start of the 2011-12 school year.

Developing Democracy And Enhancing Governance

New Initiatives

Initiative : Facilitating the adoption of Web 2.0 technology by bureaux and departments in public engagement.

44.   To enhance the effectiveness of Government's e-engagement initiatives, we will organise seminars and workshops for different levels of officers to acquire the skills in designing and implementing effective e-engagement exercises by adopting Web 2.0. We will also develop some social media applications (e.g. online questionnaires and live video streaming) for bureaux and departments to deploy in their e-engagement exercises.

On-going Initiative

Initiative : Continuing to develop and implement electronic information management strategies for bureaux/departments to provide a convenient and efficient way to create, access and use accurate, timely and complete information about government business.

45.   The development of the departmental electronic Information management (EIM) strategies for the first wave of bureaux/departments, namely the Communications and Technology Branch of Commerce and Economic Development Bureau, the Drainage Services Department, the Office of the Government Chief Information Officer, the Legal Aid Department and the Rating and Valuation Department, is near completion. Concurrently, we are developing an EIM framework for government-wide promulgation by the end of this year.

Communications and Technology Branch
Commerce and Economic Development Bureau
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