立法會
Legislative Council

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Panel on Information Technology and Broadcasting

Minutes of meeting
on Monday, 8 January 2018, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present	: Hon Charles Peter MOK, JP (Chairman)
	Dr Hon Elizabeth QUAT, BBS, JP (Deputy Chairman)
	Hon James TO Kun-sun
	Hon WONG Ting-kwong, GBS, JP
	Hon Starry LEE Wai-king, SBS, JP
	Hon CHAN Kin-por, GBS, JP
	Hon Mrs Regina IP LAU Suk-yee, GBS, JP
	Hon Paul TSE Wai-chun, JP
	Hon Claudia MO
	Hon Michael TIEN Puk-sun, BBS, JP
	Hon YIU Si-wing, BBS
	Hon MA Fung-kwok, SBS, JP
	Hon CHAN Chi-chuen
	Hon CHAN Han-pan, JP
	Hon Christopher CHEUNG Wah-fung, SBS, JP
	Hon Martin LIAO Cheung-kong, SBS, JP
	Ir Dr Hon LO Wai-kwok, SBS, MH, JP
	Hon CHUNG Kwok-pan
	Hon Alvin YEUNG
	Hon CHU Hoi-dick
	Dr Hon Junius HO Kwan-yiu, JP
	Hon YUNG Hoi-yan
	Hon CHAN Chun-ying
	Hon HUI Chi-fung

Member attending : Hon SHIU Ka-fai

Public officers attending : <u>Agenda item IV</u>

<u>Innovation and Technology Bureau</u>

Mr Nicholas YANG Wei-hsiung, GBS, JP
Secretary for Innovation and Technology

Mr CHEUK Wing-hing, JP
Permanent Secretary for Innovation and Technology

Mrs Millie NG KIANG Mei-nei, JP
Deputy Secretary for Innovation and Technology

<u>Office of the Government Chief Information Officer</u>

Ir Allen YEUNG, JP
Government Chief Information Officer

Mr Davey CHUNG Pui-hong, JP
Deputy Government Chief Information Officer
(Policy and Industry Development)

Mr Tony WONG Chi-kwong
Assistant Government Chief Information Officer
(Industry Development)

<u>Environment Bureau</u>

Mr TSE Chin-wan, BBS, JP
Under Secretary for the Environment

<u>Commerce and Economic Development Bureau</u>

Dr Bernard CHAN Pak-li, JP
Under Secretary for Commerce and Economic
Development

<u>Financial Services and the Treasury Bureau</u>

Mr Joseph CHAN Ho-lim, JP
Under Secretary for Financial Services and the
Treasury

Transport and Housing Bureau

Dr Raymond SO Wai-man, BBS, JP
Under Secretary for Transport and Housing

Transport Department

Mr Michael LAW Hing-sun
Chief Engineer/Traffic & Transport Survey of the
Transport Department

Development Bureau

Mr Vitus NG
Principal Assistant Secretary (Works) 3

Education Bureau

Mr Sheridan LEE Sha-lun
Principal Assistant Secretary (Curriculum Development)

Agenda item V

Commerce and Economic Development Bureau

Mr Edward YAU, GBS, JP
Secretary for Commerce and Economic Development

Miss Eliza LEE, JP
Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries)

Ms Julina CHAN, JP
Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries)

Mr Victor TSANG
Head of Create Hong Kong

Ms Fiona LAM
Assistant Head (1) of Create Hong Kong

Clerk in attendance	:	Mr Daniel SIN Chief Council Secretary (4)3
Staff in attendance	:	Ms Peggy CHUNG Council Secretary (4)3
		Ms Cynthia TAM Legislative Assistant (4)3

<u>Action</u>

I. Confirmation of minutes of meeting

(LC Paper No. CB(4)419/17-18	--	Minutes of policy briefing meeting held on 17 October 2017)

The minutes of the meeting held on 17 October 2017 were confirmed.

II. Information paper(s) issued since the last meeting

(LC Paper No. CB(4)385/17-18(01)	--	Administration's written response dated 14 December 2017 to the submission from a member of the public regarding the programmes produced by the Radio Television Hong Kong (Chinese version only)
LC Paper No. CB(4)443/17-18(01)	--	Further submission from a member of the pubic received on 28 December 2017 regarding the programmes produced by the Radio Television Hong Kong (Chinese version only)

      LC Paper No. CB(4)443/17-18(02)   --   Further submission from a member of the pubic received on 3 January 2018 regarding the Communications Authority's refusal to release documents relating to its decision on a complaint against Television Broadcasts Limited (Chinese version only))

2.   <u>Members</u> noted that the above paper(s) had been issued for the Panel's information.

3.   <u>Members</u> noted the further submissions from members of the public commenting on the Administration's positions regarding programmes produced by the Radio Television Hong Kong and complaints against the Communications Authority considered by the Panel.

4.   <u>Members</u> agreed that no follow-up would be required on the public submissions, but a copy of the submissions should be forwarded to the Administration for reference.

III.   Date of next meeting and items for discussion

      (LC Paper No. CB(4)429/17-18(01)   --   List of outstanding items for discussion

      LC Paper No. CB(4)429/17-18(02)   --   List of follow-up actions)

<u>Regular meeting on 12 February 2018</u>

5.   <u>Members</u> noted that the next regular Panel meeting would be held on Monday, 12 February 2018 at 2:30 pm to discuss the following items:

    (a)   Update on information security; and

    (b)   Decisions on the arrangements for the frequency spectrum in the 900 MHz and 1800 MHz Bands upon expiry of the existing frequency assignments.

IV.   Smart City Blueprint for Hong Kong

(LC Paper No. CB(4)429/17-18(03)   --   Administration's paper on the Smart City Blueprint for Hong Kong

LC Paper No. CB(4)429/17-18(04)   --   Paper on the smart city development prepared by the Legislative Council Secretariat (Updated background brief))

Presentation by the Administration

6.   At the invitation of the Chairman, Secretary for Innovation and Technology ("S for IT") briefed members on the Smart City Blueprint for Hong Kong ("the Blueprint").   Details of the briefing were set out in the paper provided by the Administration (LC Paper No. CB(4)429/17-18(03)).

Discussion

Smart mobility

7.   Mr Michael TIEN commented that the Administration's Blueprint did not cover online car hailing service. He noted the Administration's position that operators who were interested to operate an online car hailing service might apply for a Hire Car Permit. Mr TIEN commented that the application procedure was cumbersome and many potential operators were discouraged from starting such a business. He asked whether the Administration would review and update existing legislation and the regulatory system so as to allow online car hailing services to be introduced in Hong Kong.

8.   Under Secretary for Transport and Housing ("USTH") said that the Administration was preparing for the introduction of franchised taxis on a trial basis and would conduct a review of the operation of franchised taxis upon completion of the trial scheme. Having regard to the review results, the Administration would decide on the way forward and consider the need for regulating online car hailing service.

9.   The Deputy Chairman asked if the Administration would encourage private car park operators and other organizations to share thereal-time parking vacancy information of their public car parks with the public. Mr MA Fung-kwok said that the Administration should collaborate with the private sector,

including private car park operators, to integrate their data into Hong Kong eRouting application. S for IT said that the Administration was already sharing data gathered by some car park operators and relevant companies. As these operational data were commercial assets, the Administration could only encourage companies to share their data with the Government. Operators would be willing to open up their data if they realized that sharing operational data would benefit their businesses.

10.   Mr MA Fung-kwok said that the Administration should integrate Hong Kong eTransport ("HKeTransport") application with other public transport information systems such as tram, MTR or buses in order to better achieve the objectives of "Smart Mobility" under the Blueprint. USTH responded that HKeTransport application had already incorporated real-time tram data and included links to the relevant systems of different bus companies.

11.   The Deputy Chairman noted that the Administration proposed to complete the installation of about 1 200 traffic detectors onall strategic roads to provide real-time traffic information by 2020. She said that there were other cheaper alternatives (such as capturing data through smart phones) in gathering real-time road traffic information and she asked what the justifications were for installing traffic detectors.

12.   S for IT said that the Administration should ensure that real-time traffic data that were to be made available to the public were accurate and reliable. Permanent Secretary for Innovation and Technology added that some data items (such as the types of vehicles on the road) could not be captured by smart phones and had to be collected using dedicated detectors with specific functions.

Smart government

13.   Ms Claudia MO commented that in the development of smart city, the Government would gather a lot of personal data from the public but the Government's big data analytics platform was only accessible to government departments. Ms MO expressed concern about the protection of personal data and privacy issues, and asked whether the Administration would allow public inspection of the big data analytics platform. Ms YUNG Hoi-yan expressed similar concerns. S for IT said that apart from the Administration, other institutions such as banks or insurance companies might also gather and hold personal data. The Government, as well as these institutions, had to specify the purpose of gathering personal data and how they were to be used. They had the responsibility to protect personal data and comply with the Personal Data (Privacy) Ordinance, Cap. 486. It would be up to the individuals concerned to authorize the access and use of the data by a third party. The Administration

would be ready to consider sharing with the public any aggregated data which would not show personal information of individuals but might be useful for evaluating the effectiveness of certain public policies.

14.   Ms Claudia MO expressed concern that third parties who collaborated with the Government in gathering or use personal data for big data analytics purposes might be able to access personal data. S for IT said that current technology, such as confidential computing, could enable the identities of data owners to be hidden with high reliability. Government Chief Information Officer ("GCIO") supplemented that when a person used electronic identity ("eID") to authenticate his or her identity when accessing government services online, no personal data would be transmitted over the Internet.

15.   Mr Alvin YEUNG noted that multi-functional smart lampposts would be installed to facilitate the rolling out of the fifth generation ("5G") mobile communications services in 2020. Quoting a case in Lam Tsuen, Tai Po, where signal transmission stations were demolished without being reprovisioned, Mr YEUNG commented that local residents in remote areas were still not able to access third generation and fourth generation telecommunication services. He asked how the Administration would assist in the provision of transmission stations to ensure full coverage of mobile communications service in remote areas until 5G services were launched.

16.   Under Secretary for Commerce and Economic Development ("USCED") said that there was no precedence for the Administration to construct, with public funds, transmission stations where private service providers operated telecommunication services. Nevertheless, the Office of the Communications Authority ("OFCA") could assist in the search for the appropriate locations for installation of necessary facilities. He added that, in the case of Lam Tsuen, the Administration was aware that an operator had submitted proposal for installation of transmission stations in the proximity. OFCA would play a coordinating role in the project.

17.   The Deputy Chairman commented that the Administration's target of establishing a Common Spatial Data Infrastructure ("CSDI") to support various smart city applications by 2023, was too slow. She asked what constraints the Administration faced and how it would expedite the process. Principal Assistant Secretary (Works) 3 said that the Administration had commissioned a consultancy study on the establishment of CSDI, which was expected to complete in early 2018. He added that existing spatial data were stored in different formats and it would take time to unify and convert the data for establishing CSDI. The Administration would review the programme of CSDI based on the findings of the consultancy study.

18.   <u>Ir Dr LO Wai-kwok</u> commented that Hong Kong lagged behind many cities in the development of smart city. Some of the proposed initiatives, such as installing light-emitting diode ("LED") lamps in public lighting systems progressively from 2017-2018 and encouraging retrofitting LED lighting for existing government buildings, should have been implemented earlier. <u>S for IT</u> said that the Administration was determined to implement the Blueprint, which was evidenced by the fact that the key Directors of Bureax were members of the Steering Committee on Innovation and Technology chaired by the Chief Executive. He was confident that the Administration would make good progress in the development of smart city in future.

19.   <u>Ms YUNG Hoi-yan</u> asked if the data held by the Judiciary would also be included in the big data analytics platform to be built by 2020 to enable more analyses to be made on the cases handled by the courts. <u>S for IT</u> said that the Judiciary was independent from the executive authorities. <u>GCIO</u> said that the proposed big data analytics platform was intended to enable real-time data transmission and sharing among government departments.

20.   <u>The Chairman</u> asked which Bureaux were not participating in the development of smart city and whether there were features in the Blueprint that were unique to Hong Kong. <u>S for IT</u> said that all but three Bureau directors, (including Secretary for the Civil Service, Secretary for Constitutional and Mainland Affairs and Secretary for Home Affairs) were regular members of the Steering Committee. However, the three Bureaux might still be involved in certain aspects of the implementation of the Blueprint.

21.   <u>S for IT</u> added that the International Organization for Standardization was developing a new set of smart city performance indicators (ISO37122), which would allow cities to benchmark their smart city development progress against other cities. The indicators could reveal which aspects of Hong Kong's smart city development were unique amongst other similar smart cities in the world and demonstrate which particular aspects Hong Kong might excel or lag behind international benchmarks.

22.   <u>The Deputy Chairman</u> commented that the Administration should implement various initiatives of smart city in a timely manner. She observed that the lead time taken by the Administration in developing and launching a new initiative tended to be long and the technology adopted might have obsoleted by the time the initiative was implemented.

Smart economy

23.　　Mr YIU Si-wing noted that the Administration's strategy on smart tourism was to enrich tourists' experiences in Hong Kong through adoption of smart features using information and communications technology. He asked how specifically the Administration intended to achieve the strategy. Mr YIU asked if the Administration would provide relevant real-time data to facilitate scheduling of itineraries by visitors to avoid overcrowding in certain tourist spots.

24.　　USCED said that the Administration would collaborate with a design institution to implement ways to enrich tourists' experience, through augmented reality and virtual reality technologies, in certain heritage sites in Central and Western District. Mr YIU Si-wing commented that the Administration should formulate an overarching strategic plan rather than provide piecemeal measures on isolated tourist spots.

25.　　Mr CHAN Chun-ying noted that the Administration intended to introduce a Faster Payment System by 2018 which supported users to transfer money anytime and anywhere by phone number or e-mail address, and to facilitate the development of a QR code payment standard. He said that the People's Bank of China had recently announced that a ceiling of RMB500 would be imposed on the amount of transaction each day using QR code payments, given the security risks associated with the use of QR code. Mr CHAN Chun-ying asked whether the Administration had reviewed the risk factors of the QR code technology and whether the Administration would also introduce a transaction ceiling. Mr CHAN also asked whether the Administration would adopt facial biometrics technology in other areas apart from boarding pass checkpoint, boarding and check-in.

26.　　Under Secretary for Financial Services and the Treasury ("USFST") said that the Faster Payment System would be introduced in September 2018 which would be a platform connecting to banks and stored value facilities operators, so that they would be able to offer a round-the-clock payment and transaction services for personal and corporate payment and transfer.

27.　　As regards the development of a QR code payment standard, USFST said that the Hong Kong Monetary Authority ("HKMA") had set up a working group with the financial sector to develop a common QR code payment standard. He added that, while encouraging creativity in financial technology, the Administration would take extra care to ensure protection of consumer rights. USFST further supplemented that in developing the regulatory regime, HKMA would require operators of stored value facilities to have a robust management

mechanism to monitor and evaluate the risks and security of those payment systems.

28.   GCIO said that QR code payment standards were developed and used in many countries. The objective was to improve the safety in the use of QR code. It did not imply that there was inherent risk in the QR code technology. GCIO added that the Administration was also looking into other applications of biometrics technology, such as in the implementation of eID.

29.   Mr Christopher CHEUNG asked if eID would be used in financial applications such as Know-Your-Customer Utilities ("KYCUs") to enable more effective compliance by financial institutions and companies with regulators' requirements. GCIO said that eID was to be implemented to provide a single digital identity for all residents in Hong Kong for authentication purposes when conducting government and commercial transactions online. GCIO said that upon the launch of eID, more organizations could make use of the service. USFST said that the Administration would explore with the regulators on how to facilitate the financial sectors to use eID in KYCU applications.

30.   The Chairman suggested that the Administration should report progress on the development of smart city to the Panel on a more frequent and regular basis.

V.   Funding Proposal for the CreateSmart Initiative

(LC Paper No. CB(4)429/17-18(05)	--	Administration's paper on the funding proposal for the CreateSmart Initiative
LC Paper No. CB(4)429/17-18(06)	--	Paper on the CreateSmart Initiative prepared by the Legislative Council Secretariat (Updated background brief))

Presentation by the Administration

31.   At the invitation of the Chairman, Secretary for Commerce and Economic Development ("SCED") briefed the Panel on the funding proposal for the CreateSmart Initiative ("CSI"). Details of the briefing were set out in the paper provided by the Administration (LC Paper No. CB(4)429/17-18(05)).

Discussion

32.   Mr CHAN Chi-chuen sought clarification on how the Administration would seek funding approval from the Legislative Council ("LegCo") for injection of $1 billion into CSI as it appeared from the Administration's paper that the Administration would not take the usual route of submitting the proposal to the Finance Committee ("FC") for approval. The Chairman said that he understood that if the funding proposal received the support of the Panel, the Administration might include the required amount in the respective Head of Expenditure for the coming financial year in the Estimates for approval by LegCo in the context of the Appropriation Bill.

33.   Mr CHAN Chi-chuen said that the Administration should seek funding approval for the proposed injection from FC as there would be more opportunities for focused and detailed discussions. SCED assured Members that that whichever route the Administration eventually adopted to seek the CSI funding injection, it would be in compliance with the Public Finance Ordinance, Cap. 2. As a matter of fact, the Administration had adopted both routes in previous funding applications. Since the proposed $1 billion injection was widely supported by stakeholders, the Administration trusted that Members would equally support this item for the benefit of the creative sector and Hong Kong as a whole. The Administration would certainly consider all relevant factors to work out a suitable approach in order to obtain LegCo's funding approval in a timely and pragmatic manner.

34.   The Chairman mentioned for members' reference that funding approval for the first two injections into CSI were sought from FC, but the last injection of $400 million was approved by LegCo in the context of the Appropriation Bill.

35.   Ir Dr LO Wai-kwok supported the funding proposal. Ir Dr LO asked whether initiatives that would support the toy industry might qualify for funding under CSI. Ir Dr LO explained that, although the toy industry did not fall into the Administration's classification of creative industries, toy designs included creative elements. SCED said that the Administration would consider proposals that might help promote the creative industries in Hong Kong. Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries ("PS(CCI)") said that while the scope of the CSI covered seven well-defined non-film sectors, CSI could also be used to support cross-sector collaborations in promoting creative industries.

36.   Mr CHAN Chun-ying supported the funding proposal. As regards the performance of CSI as measured by the various Key Performance Indicators ("KPIs") as set out in Annex B to the Administration's paper (LC Paper No.

CB(4)429/17-18(05)), Mr CHAN suggested that the Administration should set targets for each KPI and evaluate CSI's performance by those targets.

37.   SCED responded that the purpose of setting up KPIs was to ensure that public funds were properly expended through CSI. With the proposed injection, the Administration would measure the effectiveness of CSI with additional KPIs to gauge the degree of community awareness through measuring public participation and media coverage and to better quantify the benefits brought to the industry participants. SCED supplemented that as projects funded under CSI would remain largely market-driven and industry-led, indicators such as the number of projects approved under CSI or the amount of funds approved, etc., were driven by actual industry demand and initiative. It was therefore not appropriate to set an expenditure target as a KPI.

38.   Mr CHAN Chun-ying noted that some 40% of the total funding amount under CSI had been committed for nurturing creative talents at their early stage of development and facilitating start-ups. While CSI had helped provide 42 200 nurturing opportunities, only 15 070 jobs were created. Mr CHAN asked whether the prospects in the sectors were poor or whether the remuneration or conditions of employment were not attractive enough to retain talents. SCED said the statistics pertained to CSI projects funded thus far, and undertook to provide supplementary information to respond to the member's queries.

(*Post meeting note*: The Administration's supplementary information was issued to members vide LC Paper No. CB(4)485/17-18(01) by e-mail on 16 January 2018.)

39.   Mr MA Fung-kwok supported the funding proposal. He commented that the Administration should take a more proactive stance in supporting creative industries. With the potential opportunities arising from the Belt and Road Initiative, the Administration might consider setting up a fund (that resembled a sovereign fund) to support local creative industries.

40.   Mr MA Fung-kwok pointed out that new activities such as the application of artificial intelligence and licensing of creative designs had emerged in recent years and transformed the profile of the creative industries. He queried whether the Administration would consider revising the definition and scope of creative industries for the purpose of providing funding support under CSI.

41.   SCED said that the amount of injection sought was based on the previous funding applications having regard to the previous expenditure pattern. The Administration might seek further injection in the future as necessary to

meet the industry demand. The Administration would not give preference to certain industries when considering applications under CSI, and it would be up to the individual sectors to submit applications. SCED supplemented that applications related to licensing sector or related to the application of artificial intelligence in products or services might be eligible for CSI funding if there were suitable design or creative elements or features in the products/services that would help promote the development of creative industries in Hong Kong.

42.   Mr YIU Si-wing supported the funding proposal. He noted that the Business of Design Week ("BODW") and its concurrent events had drawn more than 140 000 local and overseas participants in 2017. He asked how many of the participants were from overseas. Mr YIU noted that with the proposed injection, the Administration aimed to increase the CSI budget by 50% for BODW starting from 2019-2020 to enable HKDC to collaborate with the Hong Kong Tourism Board ("HKTB") and other relevant bodies to lift BODW into an iconic world-class design cum tourism event for Hong Kong. Mr YIU asked if the Administration had set any targets or indicators in achieving these objectives.

43.   SCED noted that about 45 000 out of the 140 000 participants of BODW were from overseas. SCED supplemented that while BODW was funded under CSI and organized by HKDC, it could also be turned into a major event to promote tourism and attract overseas visitors to Hong Kong. HKTB would also involve in the promotion of BODW. SCED added that BODW's practice to invite an overseas partner country or city every year to coorganize the event to attract visitors from the respective regions would continue.

44.   In response to the enquiry from Mr YIU Si-wing, PS(CCI) said that the CSI budget for BODW in recent years was, on average, less than $10 million per year, while around $165 million were proposed to be provided to the Hong Kong Design Centre ("HKDC") to organize five events (including BODW) each year for three financial years starting from 2019-2020. The proposed 50% increase in BODW expenditure would allow HKDC to further improve the BODW and related events.

45.   Mr CHAN Chi-chuen said some local multi-media companies had made productions which might be screened in cinema or broadcast through television ("TV") channels. These companies might not be categorized under the film industry or classified as a TV production company. He asked if these companies were eligible for support under CSI. PS(CCI) responded that applications from these multi-media companies might be considered if they met the criteria as required under CSI.

46.   The Chairman observed that the scale of injection was much larger than the previous funding requests. The Chairman queried the reasons for the large increase. SCED explained that CSI had become increasingly popular over the years. During the first four years from the setting up of CSI, $70 million was approved on average each year, whereas in the subsequent four years, about $150 million was committed on average each year. SCED said that CSI's expenditure pattern in recent years underlined the growing demand from the creative industry sectors for funding support, and CSI had demonstrated effectiveness in supporting the sectors. The amount of funding injection sought in the current application was considered appropriate.

Conclusion

47.   The Chairman concluded that the Panel supported, in principle, the injection of $1 billion into CSI.

VI.   Any other business

48.   There being no other business, the meeting ended at 4:25 pm.

Council Business Division 4
Legislative Council Secretariat
7 March 2018