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Legislative Council

Ref: CB4/PL/ITB

**Report of the Panel on Information Technology and Broadcasting
for submission to the Legislative Council**

Purpose

This report gives an account of the major work of the Panel on Information Technology and Broadcasting ("the Panel") during the 2017-2018 session of the Legislative Council. It will be tabled at the Council meeting of 4 July 2018 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008, for the purpose of monitoring and examining Government policies and issues of public concern relating to information technology ("IT"), telecommunications, broadcasting, film services and creative industry. The terms of reference of the Panel are in **Appendix I**.

3. The Panel comprises 24 members. Hon Charles Peter MOK and Dr Hon Elizabeth QUAT were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

Major work

Innovation and technology

Smart City Blueprint and infrastructure

4. In the 2017 Policy Address, the Chief Executive ("CE") reaffirmed the

Administration's commitment "to developing Hong Kong into a smart city by using innovation and technology ("I&T") to enhance city management and improve people's livelihood". Meanwhile, the Office of the Government Chief Information Officer ("OGCIO") commissioned PricewaterhouseCoopers Advisory Services Limited to conduct a nine-month "Consultancy Study on Smart City Blueprint for Hong Kong" ("consultancy study") to assist in the formulation of the overall development framework of the Hong Kong Smart City Blueprint ("the Blueprint"). In the light of the recommendations from the consultancy study and the views gathered from the public consultation held in August and September 2017, the Blueprint was released on 15 December 2017.

5.   The Administration briefed the Panel on the major components of the Blueprint at the meeting held on 8 January 2018 and, at the meeting held on 12 March 2018, sought the Panel's support for three key infrastructure projects for smart city development, i.e. electronic identity ("eID"), multi-functional smart lampposts, and e-Government reform.

6.   In response to members' that concerns that some of the initiatives might take too long to implement, and that the technologies adopted might already be outdated by the time the initiatives came into operation, the Administration advised that CE's Steering Committee on Innovation and Technology comprising key directors of Bureaux was determined to implement the Blueprint. Furthermore, Hong Kong's progress in the development of smart city would be measured by a number of smart city performance indicators published by the International Organization for Standardization (ISO37122) which would demonstrate the particular aspects Hong Kong that might excel or lag behind international benchmarks.

Smart mobility

7.   Members asked the Administration to encourage private car park operators and other organizations to share real-time parking vacancy information with the public, and to integrate such data into the Hong Kong eRouting application. Some other members suggested that the Administration should integrate the Hong Kong eTransport application with other public transport information systems such as tram, MTR or buses. The Administration responded that it was already cooperating with the private sector and public transport operators on sharing transport data. As transport operation data were commercial assets, the Administration could only encourage companies to share their data with the Government by Administrative means.

Smart government

8.   As the Administration would be able to collect large amount of personal data of the public and would share such data with other parties for big data analytics purposes, some members expressed concerns about the protection of personal data and privacy issues, especially in the use of the eID system. The Administration assured the Panel that the Government had the responsibility to protect personal data in accordance with the Personal Data (Privacy) Ordinance (Cap. 486). For the proposed eID system, a person would be able to use his / her eID to authenticate his or her identity when accessing government services online without transmitting any personal data over the Internet.

9.   Members asked if the Administration would involve private companies in the design and development of application programming interface ("API") in order to speed up the launch of services that make use of eID. Some members also asked if eID would be used in financial applications such as know-your-customers ("KYC") utilities to enable more effective compliance with regulatory requirements by financial institutions. The Administration informed members that it was examining the detailed arrangements in collaboration with the relevant stakeholders/regulators in the development of APIs and KYC utility applications.

Smart economy

10.   Members commented that the Administration should formulate an overarching strategic plan to use technology to enrich tourists' experience in Hong Kong rather than provide piecemeal measures on isolated tourist spots.

11.   Members noted that the Administration had plans to introduce a Faster Payment System ("FPS") by 2018. FPS is a platform which connects banks and stored value facility ("SVF") operators, and by which users may transfer money and carry out transactions by phone or by email using a QR code. Members expressed concerns about the risks in the use of QR code. The Administration informed the Panel that the Hong Kong Monetary Authority ("HKMA") was working with the financial sector to develop a common QR code payment standards, and would require SVF operators to monitor and evaluate the risks and security of these payment systems.

Smart lampposts

12.   Members commented that the Administration should ensure that a wide variety of information would be provided for users through smart lampposts but the Administration's target of installing smart lampposts was too slow. Some

members suggested that smart lampposts should be used to support of the provision fifth-generation ("5G") communications technology and to improve the accuracy of Global Positioning System ("GPS"). The Administration responded that real-time information such as local air quality data and traffic flow conditions would be collected from the smart lampposts and disseminated through the open data portal; microcell antennas could be installed in smart lampposts to support 5G telecommunications services and improve GPS.

Wi-Fi Connected City Programme

13. At the Panel meeting held on 14 May 2018, the Administration briefed members on the latest progress of the implementation of the Wi-Fi Connected City Programme which aims at expanding the coverage of "Wi-Fi.HK" hotspots in various districts across the territory. Some members commented that the Office of Communications Authority's ("OFCA") removal of under-used telephone booths with free Wi-Fi hotspots was contrary to the Administration's objective in developing a Wi-Fi connected city. They suggested that the Innovation and Technology Bureau ("I&TB") should explore with the Commerce and Economic Development Bureau ("CEDB") on the feasibility of converting some of the under-used public telephone booths into smart city facilities with free Wi-Fi connections (such as smart lampposts). In response, the Administration informed members that sites with high pedestrian flow or tourist hotspots would be identified for installing smart lampposts with free Wi-Fi hotspots, either on its own or through public-private participation arrangements.

14. Furthermore, consideration was being made to providing Wi-Fi connection services with mobile network technology in areas of low pedestrian traffic, such as public parks, whereas high speed connection services would be provided in tourist hotspots or areas of high pedestrian concentration.

Innovation and Technology Fund for Better Living and digital inclusion

15. At the Panel meeting held on 11 June 2018, the Administration briefed members on the implementation progress of the $500 million Innovation and Technology Fund for Better Living ("FBL") to encourage and finance the use of I&T in developing projects that bring more convenience, comfort and safety to daily living, or address the needs of specific community groups.

16. Members noted that the low approval rate of FBL applications, and queried whether the Administration had conducted sufficient publicity. The Administration responded that the approval rate met expectation, and reflected that the vetting process was rigorous.

17.   Some members queried how the Administration would evaluate whether a FBL-funded project was effective and whether an applicant who had received funding support for a project could submit applications on other projects. The Administration explained that priority of FBL would be accorded to successful applicants who had not previously received FBL funding. Furthermore, there were several performance indicators for measuring the effectiveness of FBL projects, including popularity, the amount of funding approved, the technology applied and how the community would be benefited. In response to members' queries, the Administration informed the Panel that commercial sponsorship would be allowed to support the implementation projects under FBL. The intellectual properties of FBL-funded projects would belong to the project owners, but the products would initially be available free to the public at the initial stage.

Information security

18.   The objectives of the Administration's information security programmes are to formulate and implement information security policies and guidelines for compliance and reference by bureaux and departments ("B/Ds"), ensure that all the Administration's IT infrastructure, systems and information are secure and resilient, and promote and enhance the awareness of information security and cyber risks among organizations and members of the public. At the Panel meeting held on 12 February 2018, the Administration discussed with members on the latest situation of information security in Hong Kong and relevant measures implemented by the Government.

19.   Members asked the Administration to ensure that existing legislation and internal guidelines were up-to-date in protecting personal data in the light of the increasing prevalence of online activities such as Internet payment and other cyber commercial activities.

20.   The Panel was informed that the number of computer security incidents handled by the Hong Kong Computer Emergency Response Team Coordination Centre ("HKCERT") (except malicious software and botnet incidents) had decreased in 2017 due to an increase in users' awareness and adoption of preventive measures.   HKCERT was regularly organizing seminars and workshops for small and medium enterprises ("SMEs") in different sectors on measures to protect data in their information systems.

21.   Some members have expressed specific concerns on the two missing Government's computers which had stored personal information of more than three million voters during the 2016 Legislative Council elections.   The

Administration informed members that the investigation of the incident was still underway, and so far, there was no evidence of personal information having leaked. OGCIO had advised and reminded the Registration and Electoral Office on the need to comply with the various information security guidelines.

22.   Members queried the Administration on the support measures for SMEs to protect their IT systems. Members were informed that more than $40 million had been approved under the Technology Voucher Programme for applications related to cyber security improvement. The Panel Chairman pointed out that SMEs could make use of the services offered by, for example, the Hong Kong Productivity Council, to conduct a system inspection to evaluate the actual needs for improving system security before making decisions on the specific service or solution to purchase.

23.   In strengthening international collaboration on cyber security matters, members were informed that the Computer Emergency Response Team Hong Kong had participated in annual conferences, such as those organized by the Forum of Incident Response and Security Teams and the Asia Pacific Computer Emergency Response Team.

24.   Members asked if the Administration would introduce more training programmes that enabled trainees to be awarded internationally accredited qualifications in information security. Some members suggested that the Administration should provide subsidies for SMEs to support their employees to undergo such training, and should expand the scope of the Continuing Education Fund to cover examination fees. The Administration informed the Panel that different subsidy schemes offered by the Government could be used on information security training. The Administration had been collaborating with relevant professional bodies to encourage IT personnel to sit for professional examinations and obtain accredited qualifications.

25.   Members also discussed with the Administration on other issues such as conducting surveys on demand and supply of informational security personnel, victimization surveys on cyber crimes, public education activities to raise young people's awareness of cyber security, as well as measures to help of cyber crime victims to recover their data and reduce loss.

Cyberport in nurturing the Information and Communications Technology Ecosystem in Hong Kong and promotion of e-sports

26.   The Administration briefed members on Cyberport's role in nurturing the information and communications technology ("ICT") ecosystem in Hong Kong, and sought the Panel's support for a funding proposal to allocate

$300 million to Cybersport to enhance support for start-ups, implementation of new support schemes, and to promote development local e-sports sector during the Panel meetings on 11 December 2017 and 14 May 2018. Members supported the funding proposed.

27. Members were informed that Cyberport would provide co-working space for start-ups outside its campus and expand the number of internship places. Meanwhile, the Administration would look into ways to facilitate companies recruiting overseas ICT talents to work in Hong Kong.

28. To drive the development of financial technology ("Fintech"), members suggested that Cyberport should provide test laboratories or develop sandboxes in collaboration with local regulators and establish a big data platform sharing of data among financial companies. They also suggested that HKMA should allow access of its Fintech Supervisory Sandbox to other non-supervised organizations, such as Fintech start-ups.

29. Members were briefed on the Administration's Easy Landing Scheme in attracting multi-national corporations to set up offices in Cyberport. While members supported the Easy Landing Scheme, they queried whether the proposed incentive measures, such as provision of rental for a period of up to five years, were attractive enough for leading Internet enterprises and Fintech companies to Cyberport. Members also suggested that the Administration and Cyberport Management would offer other incentives such as accommodation for staff and education services for their family members.

E-sports

30. Members expressed concerns that many young people were unwilling to join the e-sports industry, and asked how Cyberport would promote e-sports, nurture e-sports talents and support e-sports start-ups. Cyberport Management informed the Panel that it had collaborated with overseas technology companies to provide internship opportunities for young people. E-sports experts would be invited to share their insights with e-sports companies on the latest e-sports technology, and more e-sports competitions would be held at Cyberport.

31. Some Panel members expressed concerns that the promotion of e-sports might give the public an impression that the Government was encouraging electronic or computer games. Members suggested that the Administration and the Cyberport Management should exercise care in positioning e-sports development. The Administration responded that e-sports promoted competition between players and should be distinguished from electronic or computer games where players were interacting with machines.

32.   The Administration added that, at this stage, e-sports would be developed as an I&T policy and the Administration would provide support in holding events, developing the required technologies and nurturing the necessary talents.

Government Data Centre Complex

33.   To support the long-term development of government data centre services, the Administration, at the Panel meeting held on 9 April 2018, sought the Panel's support for building a purpose-built government data centre complex ("the Complex") to coordinate and address the increasing demand for hosting government IT service and to create synergies in government data centre operations.

34.   The Panel supported in principle the Administration's proposal and agreed that the proposal should be submitted to the Public Works Subcommittee for further consideration.

35.   Members suggested that the Administration should take the opportunity of the project to publish a standard of "green data centre" and to construct the Complex according to the standard. The Administration agreed to follow up on the Panel's suggestion.

36.   Members also queried whether more government departments would move their data centres to the Complex and whether the Administration would set up a backup data centre. The Administration explained that five of the 25 existing government data centres would be moved to the Complex. The remaining data centres would continue to be in operation and could serve as backup facilities.

37.   Members also queried cost and staff savings could be achieved with the construction and operation of the Complex. The Administration responded that cost savings could be achieved from reduction in contract-out services after the new government data centre came into operation.

Communications and broadcasting

Assignment of frequency spectrum in the 900 MHz and 1800 MHz bands and spectrum utilization fees

38.   A total of 200 MHz of spectrum in the 900 MHz and 1800 MHz Spectrum will be available for re-assignment upon the expiry of the existing

assignments ("re-assignment of the 900 MHz and 1800 MHz Spectrum") between 19 November 2020 and 29 September 2021. At the meeting of the Panel held on 12 February 2018, the Administration briefed members on the arrangements for the re-assignment of these 200 MHz of spectrum and the methods for determining the related spectrum utilization fees ("SUF").

39.   Members noted that the second generation ("2G") mobile telecommunications services were supported solely by the 900 MHz and 1800 MHz Spectrum and there were still many 2G service users in Hong Kong. The Administration informed the Panel that it was up to mobile network operators ("MNOs") to decide whether and when to phase out 2G and other generations of mobile services based on their respective commercial circumstances, but they would need to satisfy the Communications Authority ("CA") that appropriate plans were in place for the remaining 2G service subscribers to migrate to higher generation services.

40.   Noting that MNOs operating their networks at the 900 MHz and 1800 MHz Spectrum were required to maintain a minimum of 90% coverage of the population, some Panel members enquired what measures the Administration would impose to ensure that the remaining 10% of the population had access to mobile services. The Administration responded that MNOs would be encouraged to provide mobile services in remote areas, in which 2×4 MHz of spectrum in the 1800 MHz band had been assigned to three MNOs for the provision of mobile coverage in the country parks and remote areas without having to pay SUF. The Administration had also facilitated MNOs in installing base stations in country parks and remote areas.

41.   The Panel Chairman had expressed concerns that if competition was intense in the next auction for the assignment of spectrum, the auction price might be pushed to a very high level. Some operators might be able to out-bid other operators and obtain a larger share of the Auctioned Spectrum. The Administration informed the Panel that, for the current spectrum re-assignment exercise, at least 120 MHz of spectrum would be made available for auction. The release of such a large quantity of spectrum at one time might have an impact on the auction price. To avoid unduly high concentration of spectrum holding in the hands of any single assignee, a spectrum cap of 90 MHz would be imposed on the aggregate amount of the 900 MHz and 1800 MHz Spectrum which might be acquired by any successful bidder in the auction, with a sub-cap of 20 MHz for spectrum in the 900 MHz band.

42.   Some Panel members queried whether any increase in SUF would be transferred to mobile service users, and would result in cost escalation in mobile services. The Administration responded that SUF only accounted for a small

portion of MNO's operating cost and it was unlikely that an increase in SUF would result in an escalation of service fees for consumers.

43.   Some members expressed concerns about the impact of re-assignment of the 900 MHz and 1800 MHz Spectrum on the continuity of the fourth generation ("4G") services in MTR and commented that online service was slow in many areas along MTR lines. The Administration advised that 4G services delivered in MTR required the use of equipment operating in the 1800 MHz band and the delivery of mobile service in 43 of the MTR stations relied on legacy systems. More Right of First Refusal ("RFR") spectrum in the 1800 MHz band would therefore be offered to the incumbent spectrum assignees to ensure the service continuity.

Spectrum trading

44.   Spectrum trading is a mechanism whereby a spectrum assignee may, through negotiation, transfer all or part of the spectrum if holds to another party for duration of spectrum assignment. Based on a consultancy study on overseas experiences, and in the light of the supply and demand of spectrum in Hong Kong, the costs/risks and benefit analysis and various implementation issues pertaining to spectrum trading, the Administration has concluded that there is no justifiable case for introducing spectrum trading in Hong Kong in the short and medium terms.

45.   At the Panel meeting held on 11 June 2018, Panel members were informed that the mobile communications sector was not keen on the introduction of spectrum trading. The Administration also informed members that if there was no competitive demand for spectrum in delivering 5G services, such spectrum might be assigned administratively without the charge of SUF, rather than through auctions.

Fibre-based network to remote areas

46.   CE had proposed in the 2017 Policy Address that the Government should take the lead in providing telecommunications companies with financial incentives in the form of subsidies to encourage the extension of fibre-based networks to remote villages. At the Panel meeting held on 14 May 2018, the Administration sought the Panel's support on the proposed subsidy scheme to extend fibre-based network to remote areas. The Panel agreed in principle that the Administration should submit the proposed subsidy scheme to FC for funding approval.

47.   In the ensuing discussions, some members expressed disappointment that broadband connection could only reach village entrances of the 300 odd villages identified under the proposed subsidy scheme. Villagers would have to negotiate with the respective fixed network operators ("FNOs") to carry out optical fibre wiring works within the villages, in order that they enjoy higher speed broadband services. Members queried whether the Administration would take the initiative further and to facilitate the connection to be extended to individual users within the villages. The Administration explained that fibre-based connection between individual village users and the backbone networks of FNOs might involve works to be carried out on private land. It would be up to the villagers themselves to negotiate with the respective FNOs to allow them to roll out fibre-based networks within the village to provide higher speed services that were comparable to those in the urban area.

48.   Some members expressed concerns that residents of some remote areas were still unable to receive the third generation or 4G services. They suggested that the Administration should facilitate service providers to install base stations to ensure full coverage of mobile communications services in remote areas until 5G services were launched.

Implementation of Digital Terrestrial Television broadcasting

49.   The Administration announced the implementation framework of Digital Terrestrial Television ("DTT") broadcasting in 2004. According to the Administration, the implementation of DTT helps fulfil the policy to enhance and promote Hong Kong's information infrastructure and services to build Hong Kong into a leading digital city in the globally connected world of the 21st century. The Administration's priority is to ensure a smooth analogue-to-digital migration of existing terrestrial television ("TV") services by broadcasters building and testing the digital broadcasting network and launching new TV or multimedia services to drive consumer take-up of DTT. At the meeting held on 11 December 2017, the Administration briefed the Panel on the latest progress of the implementation of DTT services in Hong Kong.

50.   Members expressed concerns about the proposed construction of the new Broadcasting House ("BH") for Radio Television Hong Kong ("RTHK"). The Administration informed members that it was still pursuing the option of developing BH as a joint user building.

51.   Analogue switch-off ("ASO") remained another matter of concerns to Panel members. They queried whether the target ASO date, currently set at the end of 2020, could be advanced so that the spectrum currently used for analogue television services could be freed up for other applications as early as possible.

52.   The Administration responded that Hong Kong shared the frequency spectrum currently used for television broadcasting services with adjoining areas in the Mainland.   The Administration would have to co-ordinate with the relevant Mainland authorities regarding the date of ASO and the post-ASO spectrum assignment arrangements before the concerned spectrum could be reassigned for use by other telecommunications services.   The Administration was reviewing the working target date of ASO, and would report the outcome to the Panel upon its completion within 2017-2018.

53.   Some members enquired if RTHK would broadcast more sports programmes through its digital TV channels.   In particular, broadcasting mega sports events could boost RTHK's rating, as well as promoting sports in the community.   The Administration advised that the numbers of hours of sports programmes produced by RTHK had increased to about 50 hours in 2017-2018, compared to 32 hours a year ago.   Apart from producing sports television programmes, RTHK had broadcast a number of inter-school sports competitions in 2017.   As regards international mega sports events, the Administration explained that they were being broadcast in commercial television channels with private sector sponsorship.   Under RTHK's Charter, RTHK should provide television services in areas not adequately provided by commercial television broadcasters.

Television and sound broadcasting regulatory system

54.   The Administration conducted a review on the television and sound broadcasting regulatory system with the objectives of relaxing obsolete statutory requirements and rationalizing the regulatory regimes.   The Administration briefed the Panel on the outcome of the review and the legislative proposals at the meeting held on 12 March 2018.

55.   Some members commented that the freedom of press and freedom of expression was receding with the increasing dominance of Mainland companies' control over the local media.   They expressed concerns that the Administration's proposal to relax the foreign ownership threshold of free TV licence holding companies might encourage further control by Mainland companies over the TV media.   The Administration clarified that the proposed changes aimed to facilitate foreign investment in Hong Kong's free TV service market.   The overall foreign control restriction regime would remain intact.

56.   Members suggested that the Administration should review the Generic Code of Practice for Television, especially the one on advertising standards. Some members suggested that the current two-tier approval process for

application of free TV service licence involving CA and the CE in Council should be streamlined.

57.   The Administration informed the Panel that it was reviewing the code of practice governing indirect advertising in TV. The relaxation measures were expected could be in operation in mid-2018. As regards the application process for free TV service licence, the Administration considered the current arrangements had worked effectively and there was no need for change for the time being.

58.   Some members asked if the Administration would consider regulating the Internet media, having regard to overseas experience. The Administration explained that there was no equivalent control of Internet media in overseas regulatory regimes apart from the control of distribution of obscene and indecent material and the Administration had no intention of introducing, any regulation of Internet media.

Regulation of person-to-person telemarketing calls

59.   Person-to-person telemarketing calls ("P2P calls") refer to the interpersonal communication used to reach out to customers or potential clients. At the Panel meeting held on 9 April 2018, the Administration briefed the Panel on the findings of the public consultation on strengthening the regulation of P2P calls and the proposed way forward, including preparing the legislative proposal for establishing a statutory Do-not-call Register and to take forward a number of non-statutory measures with a view to reducing the nuisance caused by P2P calls to the general public.

60.   The Panel generally supported the proposal to establish a statutory Do-not-call Register to allow individual phone users who did not wish to receive P2P marketing calls to register their phone numbers with the Register. The Administration expected that further details on the legislative proposal would be ready for submission to the Panel for consideration in the 2018-2019 session.

61.   The Administration informed the Panel that approaches including assigning specific prefixes to numbers used by telemarketers and adding prefixes to telephone numbers of certain government departments or institutions (e.g. hospitals) were considered not effective in stopping unsolicited telemarketing calls.

62.   Some members also supported the suggestion that the criminal liability arising from the making of non-compliant P2P calls should be borne by the final beneficiaries. However, some members pointed out that it was difficult to

define who the final beneficiaries might be and how the liability of intermediary parties or agents should be delineated.

63. Members observed that certain calls would mislead receivers by falsifying their identities as legitimate financial institutions, while they were actually promoting services for different companies. Such situation might pose enforcement difficulties if the calls were originated overseas as they were hard to trace and it might be beyond Hong Kong's legal jurisdiction to take any legal action.

64. Members also discussed the justifications of assigning the Privacy Commissioner of Personal Data ("PCPD") to administer the proposed Do-not-call Register for P2P calls. Members doubted if PCPD had the power and resources to undertake the task. The Administration responded that PCPD was currently regulating direct marketing activities involving the use of personal data under the Personal Data (Privacy) Ordinance (Cap. 486). The Administration considered it desirable to have a single agency to administer the future Do-not-call Register and direct marketing activities.

65. As regards the promotion of the use of call-filtering applications in smartphones, while members supported the Administration's approach in principle, they queried the effectiveness of those applications as the numbers of telemarketing calls changed quite often and there were risks that users' information might leak through those applications. The Administration explained that while P2P telemarketers might change their telephone numbers frequently, operators of call-filtering applications were able to update their P2P call database rather quickly and many of the apps were efficient in identifying telemarketing calls.

66. Some members expressed concerns whether the proposed legislation applied to "warm calls" (i.e. calls whereby callers from the company are able to identify the call recipients), and they queried whether the proposed legislation could cover calls using artificial intelligence ("AI") where recipients would be interacting with machines. The Administration clarified that a person might give consent to a company to continue to receive calls from it for marketing purposes and the Administration might consider whether the machine-to-person calls might need to be regulated.

Creative industries

Film Development Fund

67. The Government set up the Film Development Fund ("FDF") in 1999

to provide funding support for projects which would benefit the long-term and healthy development of the film industry. The Hong Kong Film Development Council and its Fund Vetting Committee are responsible for vetting the funding applications submitted to FDF. At the meeting held on 13 November 2017, the Panel was informed of a consultancy review being commissioned by the Administration on the operation of FDF and the effectiveness of its various funding schemes. The consultancy is expected to be completed by mid-2018.

68. At the meeting held on 17 October 2017, the Administration informed the Panel that it was undertaking planning work for incorporating in the land sale conditions the requirements to provide cinemas in two Government land sites. The Administration expected that the first site could be put up for sale in the coming two to three years, and would continue to implement other measures to facilitate movie-watching by members of the public.

Expanding the scope of the Film Development Fund

69. Panel members queried if the consultancy would examine the provision of financial support for small-scale and low-budget microfilms, which were not eligible for FDF. The Administration explained that microfilms might not fit into this policy framework and funding scope. Members suggested that the consultancy review should then examine whether theatrical exhibition should remain as the key consideration for provision of support under FDF.

Supporting local film development

70. As regards the Administration's continued efforts in promoting local film development, Panel members raised queries on the mechanism of selecting and providing funding support for supporting local films to participate in international film competitions and festivals, and expressed concerns on the resources provided for nurturing film production talents. Some members suggested that the Administration should arrange the film projects funded under FDF to be released through the television channels of RTHK after they had been screened in local cinemas. Other Panel members suggested that the consultant should explore opportunities for collaboration with Mainland film producers in the Guangdong-Hong Kong-Macao Bay Area ("Bay Area") in producing or distributing films. Some members commented that the local film industry should produce films with local characteristics to reach out to Chinese markets in the Mainland and Southeast Asia while opening up new markets in the countries along the Belt and Road route.

CreateSmart Initiative

71.   CreateSmart Initiative ("CSI") was launched in June 2009 with an initial funding injection of $300 million to provide financial support to projects initiated by the creative industry sectors, Create Hong Kong and other government departments, that are conducive to the development and promotion of creative industries in Hong Kong.

72.   CE announced in the 2017 Policy Address a proposal of injecting $1 billion into CSI to strengthen our support for the development of the creative industries. At the Panel meeting held on 8 January 2018, the Administration sought the Panel's support on the funding proposal.

73.   The Panel supported the Administration's recommendation. Some members queried the justifications for the large scale of injection into CSI. The Administration explained that the proposed funding injection was a respond to the creative industry sectors' growing demand for Government's support and the scale of injection was considered appropriate in the light the past spending rate of CSI.

Resources for promotion of innovation and technology and telecommunications

74.   In addition to the discussion on the abovementioned policy issues, the Panel had also supported the proposals from the Administration for resources in improving existing services and in implementing new initiatives in fostering innovation and technology in Hong Kong. At the meeting held on 13 November 2017, members considered and supported the Administration's proposal on the 2018-2019 funding requirement for the implementation of computerization projects under the Capital Works Reserve Fund Head 710 Computerization Subhead A007GX ("Block Allocation") of about $1,060 million. Panel members also supported the proposed re-organization of I&TB and the creation of new directorate posts for implementation of Smart City initiatives, and the Hong Kong-Shenzhen Innovation and Technology Park.

75.   Since 2013, OFCA has taken steps in regarding 14 telecommunications engineer ("TE") grade posts to Regulatory Affairs Manager ("RAM") grade posts by phases upon the retirement of the TE grade post holders. At the Panel meeting held on 9 April 2018, members considered and supported the Administration's proposal to re-grade the last remaining Chief TE post to Chief RAM post in OFCA.

Joint visit to Guangzhou-Hong Kong-Macao Bay Area

76.   The Panel joined a duty visit by the Legislative Council to the Bay Area between 20 to 22 April 2018. A total of 14 Panel members participated in the visit conducted jointly with the Panel on Economic Development, Panel on Financial Affairs and Panel on Commerce and Industry to five cities in the Bay Area, namely Guangzhou, Shenzhen, Foshan, Dongguan and Zhongshan. The visit aimed to facilitate members to gain better understanding on the economic and financial initiatives brought by the development plan in the Bay Area.

Panel meetings

77.   From October 2017 to June 2018, the Panel held a total of nine meetings and one joint Panel meeting. The Panel will hold one more meeting in July to discuss the work of Create Hong Kong and the Hong Kong Design Centre, and e-Government services.

Council Business Division 4
Legislative Council Secretariat
28 June 2018

Panel on Information Technology and Broadcasting

Terms of Reference

1.   To monitor and examine Government policies and issues of public concern relating to information technology, telecommunications, broadcasting, film services and creative industry.

2.   To provide a forum for the exchange and dissemination of views on the above policy matters.

3.   To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.

4.   To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.

5.   To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Panel on Information Technology and Broadcasting

Membership list for 2017-2018 session*

Chairman   Hon Charles Peter MOK, JP

Deputy Chairman   Dr Hon Elizabeth QUAT, BBS, JP

Members   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

                      (Total : 24 members)

Clerk   Mr Daniel SIN

Legal Adviser   Miss Evelyn LEE

* Changes in membership are shown in Annex.

**Panel on Information Technology and Broadcasting
Changes in membership**

Member	Relevant date
Hon Tommy CHEUNG Yu-yan, GBS, JP	Up to 15 October 2017
Dr Hon CHIANG Lai-wan, JP	Up to 17 October 2017
Hon Jimmy NG Wing-ka, JP	Up to 23 October 2017
Hon Kenneth LAU Ip-keung, BBS, MH, JP	Up to 23 October 2017
Hon Steven HO Chun-yin, BBS	Up to 23 October 2017
Hon LEUNG Che-cheung, SBS, MH, JP	Up to 23 October 2017
Hon POON Siu-ping, BBS, MH	Up to 23 October 2017
Hon Holden CHOW Ho-ding	Up to 23 October 2017
Hon Wilson OR Chong-shing, MH	Up to 23 October 2017
Hon Jeffrey LAM Kin-fung, GBS, JP	Up to 5 November 2017