

**立法會**  
**Legislative Council**

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**Panel on Development and  
Panel on Information Technology and Broadcasting**

**Joint meeting on 24 November 2020**

**Updated background brief on  
Capital Works Reserve Fund Head 710 Computerization Subhead A007GX  
(Block Allocation) – New administrative computer systems**

**Purpose**

This paper provides updated background information on the funding proposal for a Block Allocation under the Capital Works Reserve Fund ("CWRF"), namely Head 710 Computerization Subhead A007GX – New administrative computer systems ("the Block Allocation"). It also summarizes the major views and concerns expressed by Members in previous discussions on the subject.

**Background**

2. Funds under CWRF Head 710 Computerization are used for acquiring administrative computer systems, engaging consultancies for feasibility studies and for carrying out systems development. Computerization projects which cost more than \$10 million are subject to the approval of the Finance Committee ("FC"). Projects that cost less than \$200,000 are approved by individual bureaux/departments ("B/Ds") and funded through the operational expenses of the respective Controlling Officer's Reports under the General Revenue Account.

3. Projects that cost between \$200,000 and \$10 million are funded through the Block Allocation. The Government Chief Information Officer ("GCIO") has the delegated power to approve the projects and authorize expenditure under the Block Allocation ("block vote projects"). For a given financial year, funds

under the Block Allocation are used to meet the cash flow requirement of the block vote projects proposed by B/Ds as well as those approved or awaiting approval by GCIO.

4. Each year, the Office of the Government Chief Information Officer ("OGCIO") assesses the funding requirements for the Block Allocation in the following financial year, having regard to the cash flow requirements of approved block vote projects, new project proposals submitted by B/Ds and anticipated new projects for various e-Government initiatives to be submitted, as well as the spending position of the Block Allocation.

5. At its meeting on 11 March 2020, FC approved a total allocation of \$22,350.5 million for 2020-2021 for the 26 block allocations subheads under CWRP. The allocation for the Block Allocation for 2020-2021 was \$1,300 million, which represents a 16.1% increase from the approved allocation of \$1,120 million for 2019-2020. The key expenditure items are set out at Annex 10 in Enclosure 10 to PWSC(2019-20)23 (**Appendix I**).

### **Previous discussions**

6. The Administration consulted the Panel on Information Technology and Broadcasting ("the Panel") on the proposed allocation of \$1,300 million for the Block Allocation for 2020-2021 at the meeting on 11 November 2019. Panel members supported in principle the funding proposal. Relevant issues were also discussed at the FC meeting on 6 March 2020. The major views and concerns expressed by Members are summarized in the ensuing paragraphs.

### Funding requirement for 2020-2021 and new projects to be initiated

7. Members noted that quite a number of the proposed projects, to be funded under the Block Allocation, were having estimated costs which were only slightly below \$10 million. Some Members queried whether the cost estimates were so determined to circumvent the requirement to seek approval from FC. Members had also expressed concern that if the project costs were arbitrarily suppressed below what was required, they might be under-funded and the quality and effectiveness of the output might be compromised.

8. The Administration explained that OGCIO would examine whether the cost estimate of each project was reasonable and realistic. Departments concerned were required to report to OGCIO the spending position and take follow-up actions if there were discrepancies between the planned and actual spending.

9. Some Members had previously voiced out concerns about the risk to privacy if government departments such as the Police Force adopted facial recognition technology in their operations. They queried whether any of the projects under the proposed Block Allocation would involve the use of facial recognition technology. The Administration assured Members that none of the 267 proposed new projects would involve the application of facial recognition technology.

#### e-Government

10. Some Members had pointed out that the Administration would implement 25 e-leave system projects in various government departments at an estimated cost of around \$40 million under the Block Allocation. Some Members commented that leave systems should be similar service-wide, and they queried the justifications for implementing separate e-leave systems in individual departments rather than building a centralized, cloud-based e-leave system for the whole government.

11. The Administration responded that the Civil Service Bureau had developed a generic system for processing leave applications. Specific leave arrangements might vary across government departments according to their different operation characteristics and practice. Departments concerned might need to adapt the generic e-leave application according to their own operational needs.

#### System technology refresh

12. Some Members pointed out that many proposed new items to be funded by the Block Allocation were for upgrading computer and information systems within government departments. They commented that the Administration should review the cost effectiveness of such works after their completion. Members also expressed concern that many government departments had not budgeted for the replacement of their aging information technology ("IT") hardware. They asked whether the Administration would establish a mechanism where a piece of IT equipment would be scraped after having been used for a fixed period of time. This would alleviate the need for individual departments to apply funding under the Block Allocation.

13. The Administration responded that the normal lifespan of personal computers was five to seven years, whereas large-scale computer systems could generally be used for seven to 10 years. At present, many departments would replace their hardware according to these timeframes. However, any plan to

replace existing systems or equipment must be justified on ground of cost-effectiveness. Departments concerned could submit funding applications for updating and revamping existing systems, and OGCIO would review whether the proposed upgrading of IT equipment was cost-effective and would enhance operational efficiency.

### **Latest position**

14. At the joint meeting of the two Panels to be held on 24 November 2020, the Administration will seek members' support for the "Capital Works Reserve Fund Block Allocations for 2021-2022 and proposal to increase the financial ceilings of the delegated authority for Category D items in the Capital Works Programme and Block Allocation Subhead on Computerisation".

### **Relevant papers**

15. A list of the relevant papers is set out in **Appendix II**.

Council Business Division 1  
Legislative Council Secretariat  
17 November 2020

Enclosure 10 to PWSC(2019-20)23

**Proposed Allocation in 2020-21 for the Block Allocation under  
Head 710 – Computerisation**

The provision sought for the only block allocation **Subhead A007GX** under **Head 710** is \$1,300 million. This represents a 16.1% increase from the approved allocation of \$1,120 million for 2019-20.

2. The proposed increase in allocation for **Subhead A007GX** (by \$180 million from \$1,120 million in 2019-20 to \$1,300 million in 2020-21) is mainly due to the increase in number and cash flow requirement of projects in 2020-21.

\_\_\_\_\_ 3. Details on the key expenditure items are set out at **Annex 10**.

**Annex 10 to PWSC(2019-20)23**

**Capital Works Reserve Fund  
Head 710 Subhead A007GX**

*New Administrative Computer Systems*

Ambit : Administrative computer systems and consultancies for feasibility studies and systems development each costing between \$200,001 and \$10 million.

<b>Controlling Officer</b>	<b>Allocation for 2019-20 \$ million</b>	<b>Estimate for 2020-21 \$ million</b>	<b>Percentage change as compared with the 2019-20 allocation</b>
Government Chief Information Officer	1,120.00	1,300.00	+ 16.07%

**Part I : On-going key items**

<b>Project description</b>	<b>Project Estimate \$ million</b>	<b>Estimate 2020-21 \$ million</b>
1. Implementation of shares stamping system, Inland Revenue Department	9.95	1.89
2. Upgrade of e-services system, Official Receiver's Office	9.89	5.40
3. Upgrade of workforce management sub-system of customer care and billing system, Water Supplies Department	9.88	5.88
4. Implementation of government form catalogue service and chatbot, Office of the Government Chief Information Officer	9.60	2.74
5. Technology refresh for mapping system, Lands Department	9.54	0.81
6. Replacement of integrated library system, Department of Justice	9.51	3.97
7. Technology refresh for occupational safety and health management information system, Labour Department	9.33	1.29
8. Upgrade of operating system and enhancement of data security, Architectural Services Department	9.17	1.57

**Head 710 Subhead A007GX – Continued**

<b>Project description</b>	<b>Project Estimate \$ million</b>	<b>Estimate 2020-21 \$ million</b>
9. Upgrade of laboratory information management system, Agriculture, Fisheries and Conservation Department	8.97	2.13
10. Upgrade of intranet mapping system, Highways Department	7.90	3.60

**Part II : Proposed new items**

<b>Project description</b>	<b>Project Estimate \$ million</b>	<b>Estimate 2020-21 \$ million</b>
1. Development of common interactive data dissemination system for social and economic statistics, Census and Statistics Department	9.98	0.14
2. Revamp of food surveillance system, Food and Environmental Hygiene Department	9.53	1.79
3. Implementation of Chinese medicines herbarium repository information system, Department of Health	9.50	0.33
4. Enhancement of on-line building records access and viewing system, Buildings Department	9.47	1.14
5. Development of berthing information system, Marine Department	8.17	1.03
6. Technology refresh for data analytics tool for payroll system, pension management system and other benefits related systems, The Treasury	7.64	4.06
7. Smart environmental assessment system, Environmental Protection Department	7.06	1.55
8. e-Business study and information systems strategy study, Government Logistics Department	6.58	0.17
9. Enhancement of integrated landslide information system, Civil Engineering and Development Department	4.20	0.79

**Head 710 Subhead A007GX – Continued**

<b>Project description</b>	<b>Project Estimate \$ million</b>	<b>Estimate 2020-21 \$ million</b>
10. Strengthening of IT Security for Operations Department Information System, Independent Commission Against Corruption	1.09	0.67
<b>Part III : Others</b>		<b>Estimate 2020-21 \$ million</b>
About 880 other on-going and new items with expected expenditure in 2020-21		1,259.05
	<b>Total of Parts I to III :</b>	<b>1,300.00</b>

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## Appendix II

### List of relevant papers

Meeting	Date of meeting	Papers
Panel on Information Technology and Broadcasting	11 November 2019	<p>Administration's paper on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New Administrative Computer Systems  <a href="#">LC Paper No. CB(1)120/19-20(02)</a></p> <p>Updated background brief on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems  <a href="#">LC Paper No. CB(1)120/19-20(03)</a></p> <p>Administration's follow-up paper  <a href="#">LC Paper No. CB(1)220/19-20(01)</a></p> <p>Minutes of meeting  <a href="#">LC Paper No. CB(1)258/19-20</a></p>
Finance Committee	6, 9 and 11 March 2020	<p>Administration's paper on the block allocations under the Capital Works Reserve Fund for 2020-2021  <a href="#">FCR(2019-20)47</a></p> <p>Minutes of meeting on 6 March 2020  <a href="#">LC Paper No. FC275/19-20</a></p> <p>Minutes of meeting on 9 March 2020  <a href="#">LC Paper No. FC276/19-20</a></p> <p>Minutes of meeting on 11 March 2020  <a href="#">LC Paper No. FC279/19-20</a></p>