

Head 55 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMUNICATIONS AND TECHNOLOGY BRANCH)

Controlling officer: the Permanent Secretary for Commerce and Economic Development (Communications and Technology) will account for expenditure under this Head.

Estimate 2008–09..... **\$63.6m**

Establishment ceiling 2008–09 (notional annual mid-point salary value) representing an estimated 48 non-directorate posts as at 31 March 2008 and as at 31 March 2009 **\$17.3m**

In addition, there will be an estimated four directorate posts as at 31 March 2008 and as at 31 March 2009.

Controlling Officer's Report

Programmes

Programme (1) Broadcasting, Film Services and Creative Industries These programmes contribute to Policy Area 17: Information Technology and Broadcasting (Secretary for Commerce and Economic Development).
Programme (2) Telecommunications

Detail

Programme (1): Broadcasting, Film Services and Creative Industries

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	27.1	19.4	27.1 (+39.7%)	28.4 (+4.8%)
				(or +46.4% on 2007–08 Original)

Aim

2 The aim is to promote the development of broadcasting, film and creative industries and enhance Hong Kong's position as a broadcasting and film production centre and a creative capital.

Brief Description

3 The Communications and Technology Branch's main responsibilities under this programme are to formulate policies on broadcasting, control of obscene and indecent articles, and film censorship, and to promote the development of the broadcasting, film and creative industries.

4 The key performance measure is reflected in the extent to which the policy objectives have been achieved and the progress made in implementing the various policy commitments. It is also reflected in the extent to which the executive departments have accomplished their programmes efficiently and cost-effectively.

5 In 2007–08, the Branch:

- continued to oversee the implementation of digital terrestrial television broadcasting in Hong Kong;
- consulted the public on the implementation framework for mobile television;
- expanded the scope of the Film Development Fund to provide better support to the film industry, including funding small-to-medium budget film productions;
- sponsored training programmes on the application of digital technology in film productions;
- commenced to plan for enhancing support to the creative industries and launched related promotional activities; and
- commenced to review the provisions of the Control of Obscene and Indecent Articles Ordinance (COIAO).

Matters Requiring Special Attention in 2008–09

6 During 2008–09, the key tasks will include:

- continuing to oversee the further implementation of digital terrestrial television broadcasting;
- following up on the outcome of the consultation on the implementation framework for mobile television;

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- assessing the impact of technological and market convergence in order to facilitate the development of broadcasting, telecommunications and information technology;
- planning for public consultation on the policy and arrangements for future public service broadcasting;
- supporting the development of film industry;
- mapping out an overall strategy for developing creative industries and implementing related support measures; and
- engaging the public in the review of the provisions of the COIAO.

Programme (2): Telecommunications

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	93.7	44.2	34.9 (–21.0%)	35.2 (+0.9%)
				(or –20.4% on 2007–08 Original)

Aim

7 The aim is to facilitate the development of the telecommunications industry and enhance Hong Kong's position as a telecommunications hub.

Brief Description

8 The Branch's main responsibility under this programme is to formulate telecommunications policies and programmes in order to facilitate effective competition, enhance consumer choice and promote investments by the industry, in, among other things, the development of a competitive, advanced and high bandwidth infrastructure accessible by the consumers through wireline or wireless means. This will enhance Hong Kong's position as a world-class telecommunications centre.

9 In 2007–08, the Branch:

- enacted the Unsolicited Electronic Messages Ordinance (Cap. 593) and the Unsolicited Electronic Messages Regulation to tackle the problem of unsolicited commercial electronic messages;
- established a community-wide Anti-spamming Task Force;
- promulgated the spectrum policy framework which set out a more responsive and transparent spectrum management policy for communications purposes;
- completed the public consultation on the telecommunications regulatory framework to cater for the convergence of fixed and mobile communications services;
- completed the auction of the CDMA2000 licence to enable the seamless provision of CDMA services in Hong Kong;
- completed the public consultation on the deployment of broadband wireless access technologies and services in Hong Kong; and
- conducted the public consultation on the introduction of unified carrier licence.

Matters Requiring Special Attention in 2008–09

10 During 2008–09, the key tasks will include:

- monitoring the implementation of the Unsolicited Electronic Messages Ordinance and the Unsolicited Electronic Messages Regulation as well as other non-legislative anti-spamming measures;
- developing implementation plans and conducting the necessary follow-up studies arising from the spectrum policy framework;
- conducting consultancy studies for the release of spectrum for the provision of broadband wireless access services; and
- following up on the outcome of the consultation on the introduction of unified carrier licence.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2006-07 (Actual) (\$m)	2007-08 (Original) (\$m)	2007-08 (Revised) (\$m)	2008-09 (Estimate) (\$m)
(1) Broadcasting, Film Services and Creative Industries	27.1	19.4	27.1	28.4
(2) Telecommunications	93.7	44.2	34.9	35.2
	120.8	63.6	62.0 (-2.5%)	63.6 (+2.6%)
				(or same as 2007-08 Original)

Analysis of Financial and Staffing Provision

Programme (1)

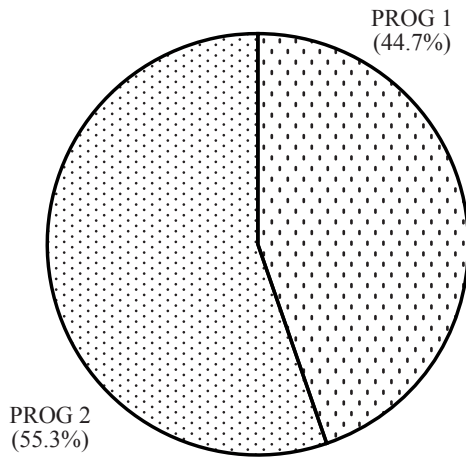
Provision for 2008-09 is \$1.3 million (4.8%) higher than the revised estimate for 2007-08. This is mainly due to the increased provision for promotion of creative industries in 2008-09.

Programme (2)

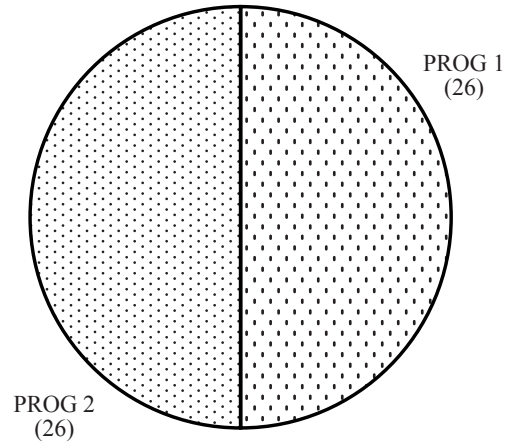
Provision for 2008-09 is \$0.3 million (0.9%) higher than the revised estimate for 2007-08. This is mainly due to the increased provision for departmental expenses, partly offset by the reduced cash flow requirement for a non-recurrent item.

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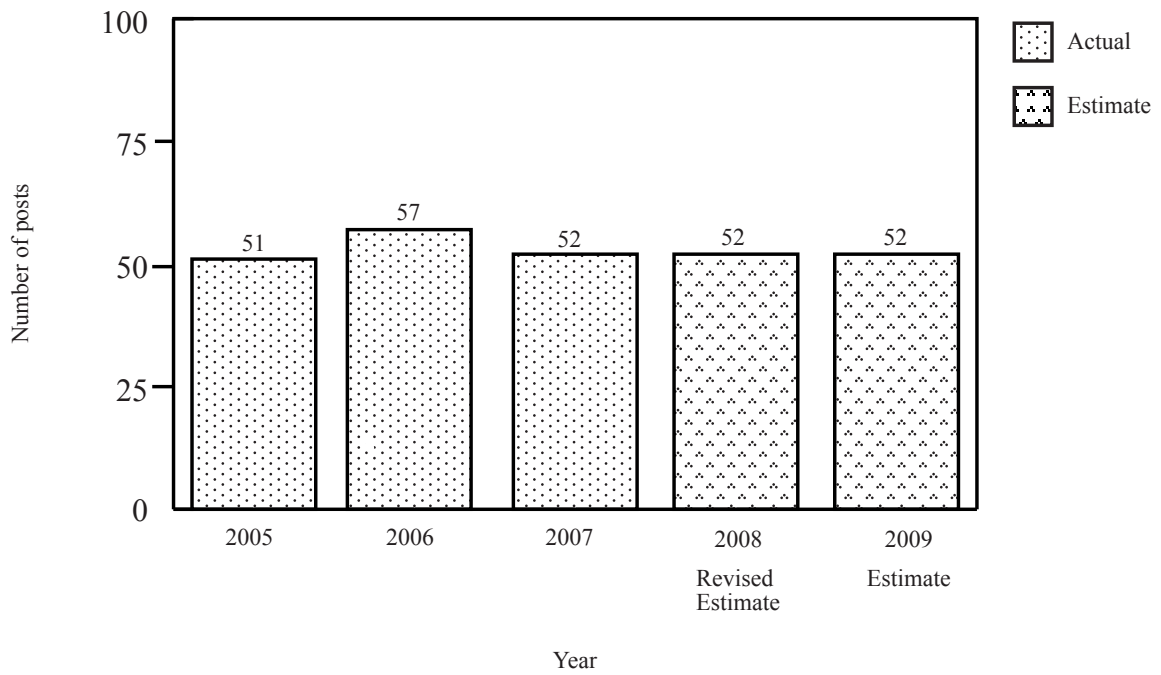
Allocation of provision to programmes (2008-09)



Staff by programme (as at 31 March 2009)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 2006-07	Approved estimate 2007-08	Revised estimate 2007-08	Estimate 2008-09	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	55,041	63,271	61,799	63,609
	Total, Recurrent.....	<u>55,041</u>	<u>63,271</u>	<u>61,799</u>	<u>63,609</u>
Non-Recurrent					
	General non-recurrent.....	65,765	323	162	—
	Total, Non-Recurrent.....	<u>65,765</u>	<u>323</u>	<u>162</u>	<u>—</u>
	Total, Operating Account	120,806	63,594	61,961	63,609
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	Total Expenditure.....	<u><u>120,806</u></u>	<u><u>63,594</u></u>	<u><u>61,961</u></u>	<u><u>63,609</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2008–09 for the salaries and expenses of the Communications and Technology Branch is \$63,609,000. This represents an increase of \$1,648,000 over the revised estimate for 2007–08 and a decrease of \$57,197,000 against actual expenditure in 2006–07.

Operating Account

Recurrent

2 Provision of \$63,609,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Communications and Technology Branch.

3 The establishment as at 31 March 2008 will be 52 permanent posts. No change in establishment is expected in 2008–09. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2008–09, but the notional annual mid-point salary value of all such posts must not exceed \$17,330,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2006–07 (Actual) (\$'000)	2007–08 (Original) (\$'000)	2007–08 (Revised) (\$'000)	2008–09 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	26,711	22,525	23,796	23,915
- Allowances	1,999	1,793	1,550	1,645
- Job-related allowances	—	4	1	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution	29	37	48	52
- Civil Service Provident Fund contribution	12	54	26	121
Departmental Expenses				
- General departmental expenses	26,290	38,858	36,378	37,872
	<hr/> 55,041	<hr/> 63,271	<hr/> 61,799	<hr/> 63,609