

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 2009–10 **\$66.3m**

Establishment ceiling 2009–10 (notional annual mid-point salary value) representing an estimated 48 non-directorate posts as at 31 March 2009 and as at 31 March 2010 **\$18.3m**

In addition, there will be an estimated four directorate posts as at 31 March 2009 and as at 31 March 2010.

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

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	34.9	28.4	36.2 (+27.5%)	38.8 (+7.2%)
				(or +36.6% on 2008–09 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 2008–09, the Branch:

- continued to oversee the implementation of digital terrestrial television broadcasting in Hong Kong;
- issued the implementation framework for broadcast-type mobile television services in Hong Kong;
- processed an application for the grant of a sound broadcasting licence;
- continued to provide support to the long-term development of the film industry;
- commenced the first round consultation on the review of the Control of Obscene and Indecent Articles Ordinance (COIAO);
- commenced planning for an overall strategy for developing creative industries and implementing related support measures; and
- engaged the creative industry in respect of Hong Kong's participation in the Urban Best Practices Area Exhibition of the World Exposition 2010 Shanghai China.

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Matters Requiring Special Attention in 2009–10

6 During 2009–10, the key tasks will include:

- continuing to oversee the further implementation of digital terrestrial television broadcasting;
- overseeing the implementation of broadcast-type mobile television services in Hong Kong;
- planning for public engagement in formulating the policy and arrangements for future public service broadcasting;
- supporting the development of film industry, including reviewing the operation of the Film Development Fund and launching a campaign to revitalise the market in South East Asia including Taiwan, Singapore and Malaysia;
- mapping out feasible improvement proposals and preparing for the second round consultation on the review of the provisions of the COIAO;
- setting up a dedicated Creative Industry Office to provide more effective support for the creative industries through integration of resources; and
- continuing to engage the creative industry in respect of Hong Kong's participation in the Urban Best Practices Area Exhibition of the World Exposition 2010 Shanghai China.

Programme (2): Telecommunications

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	29.4	35.2	27.2 (–22.7%)	27.5 (+1.1%)
				(or –21.9% on 2008–09 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 2008–09, the Branch:

- enforced the Unsolicited Electronic Messages Ordinance (Cap. 593) and the Unsolicited Electronic Messages Regulation to tackle the problem of unsolicited commercial electronic messages;
- monitored closely the transition to the new regulatory framework for the convergence of fixed and mobile communication services;
- introduced the unified carrier licence as a single licencing vehicle to facilitate operators to provide fixed, mobile and converged telecommunications services under the same regulatory regime with harmonised licence terms and conditions;
- conducted the public consultation on the proposed voluntary implementation of fixed-mobile number portability;
- imposed number fee on the unified carrier licensees to provide a financial incentive to encourage better utilisation of number resources, with a view to prolonging the life-span of the existing eight-digit number plan;
- issued the licence and monitored the timely and smooth rollout of the CDMA2000 network to strengthen Hong Kong's strategic position as a world city and the gateway between the Mainland and the world;
- completed the public consultation on the release of spectrum for expansion of the second generation mobile services;
- commissioned a consultancy study on the feasibility of introducing spectrum trading in Hong Kong; and
- completed the spectrum auction for the provision of Broadband Wireless Access (BWA) services in Hong Kong.

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Matters Requiring Special Attention in 2009–10

10 During 2009–10, the key tasks will include:

- continuing to monitor the implementation of the Unsolicited Electronic Messages Ordinance and the Unsolicited Electronic Messages Regulation as well as other non-legislative anti-spamming measures;
- continuing to monitor the transition to the new regulatory framework for the convergence of fixed and mobile communication services, in particular the withdrawal of the regulatory guidance on fixed-mobile interconnection charge;
- following up on the outcome of the consultation on the proposed voluntary implementation of fixed-mobile number portability;
- conducting auction for the release of spectrum for the expansion of the second generation mobile services;
- continuing the consultancy study on the feasibility of introducing spectrum trading in Hong Kong; and
- facilitating the deployment and rollout of the BWA services in Hong Kong.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2007–08 (Actual) (\$m)	2008–09 (Original) (\$m)	2008–09 (Revised) (\$m)	2009–10 (Estimate) (\$m)
(1) Broadcasting, Film Services and Creative Industries	34.9	28.4	36.2	38.8
(2) Telecommunications	29.4	35.2	27.2	27.5
	<hr/> 64.3	<hr/> 63.6	<hr/> 63.4 (–0.3%)	<hr/> 66.3 (+4.6%)
				(or +4.2% on 2008–09 Original)

Analysis of Financial and Staffing Provision

Programme (1)

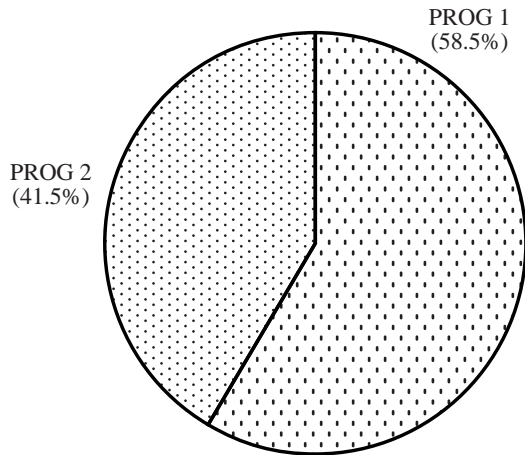
Provision for 2009–10 is \$2.6 million (7.2%) higher than the revised estimate for 2008–09. This is mainly due to the increased provision for promotion of creative industries in 2009–10.

Programme (2)

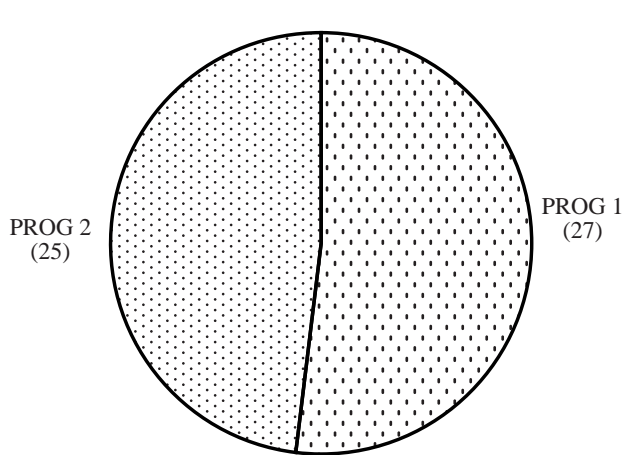
Provision for 2009–10 is \$0.3 million (1.1%) higher than the revised estimate for 2008–09. This is mainly due to increased operating expenses.

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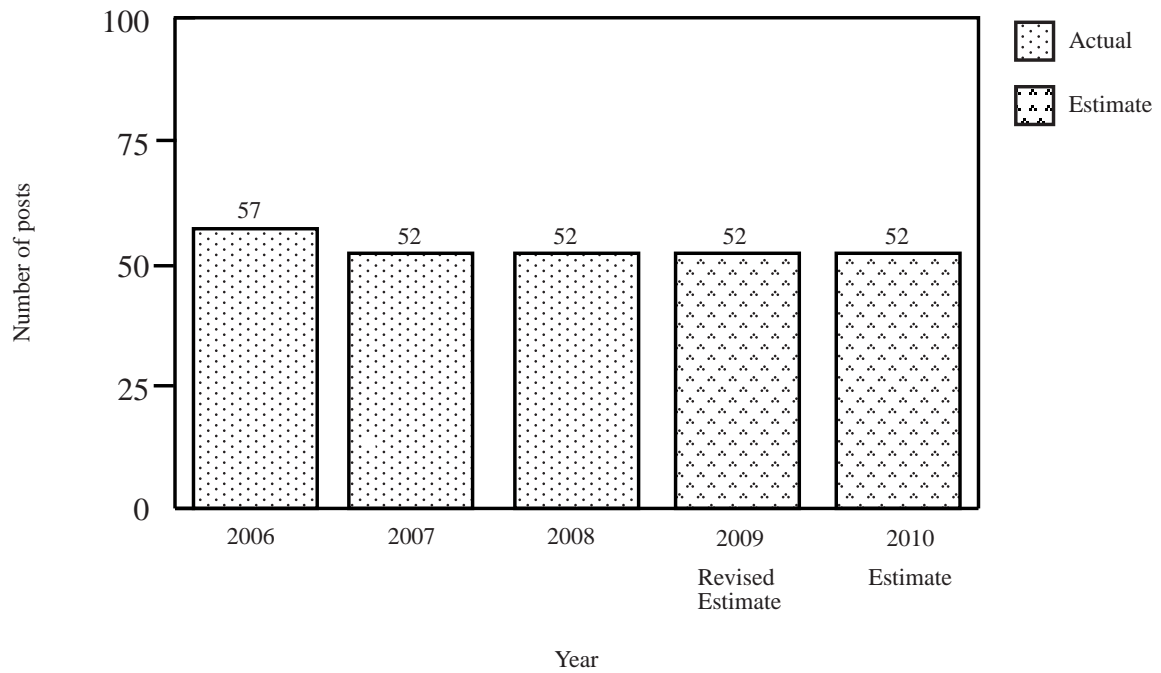
*Allocation of provision to programmes
(2009-10)*



*Staff by programme
(as at 31 March 2010)*



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



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Sub-head (Code)	Actual expenditure 2007-08	Approved estimate 2008-09	Revised estimate 2008-09	Estimate 2009-10	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	64,198	63,609	63,370	66,300
	Total, Recurrent	64,198	63,609	63,370	66,300
Non-Recurrent					
	General non-recurrent	148	—	—	—
	Total, Non-Recurrent	148	—	—	—
	Total, Operating Account	64,346	63,609	63,370	66,300
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	Total Expenditure	64,346	63,609	63,370	66,300

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Details of Expenditure by Subhead

The estimate of the amount required in 2009–10 for the salaries and expenses of the Communications and Technology Branch is \$66,300,000. This represents an increase of \$2,930,000 over the revised estimate for 2008–09 and of \$1,954,000 over actual expenditure in 2007–08.

Operating Account

Recurrent

2 Provision of \$66,300,000 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 2009 will be 52 permanent posts. Apart from changes which may arise from the setting up of a Creative Industry Office under planning, no change in establishment is expected in 2009–10. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2009–10, but the notional annual mid-point salary value of all such posts must not exceed \$18,328,000.

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

	2007–08 (Actual) (\$'000)	2008–09 (Original) (\$'000)	2008–09 (Revised) (\$'000)	2009–10 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	23,377	23,915	27,320	25,334
- Allowances	1,523	1,645	1,813	1,870
- Job-related allowances	1	4	1	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution	48	52	67	60
- Civil Service Provident Fund contribution	59	121	267	306
Departmental Expenses				
- General departmental expenses	39,190	37,872	33,902	38,726
	64,198	63,609	63,370	66,300