

## Head 55 —GOVERNMENT SECRETARIAT: INFORMATION TECHNOLOGY AND BROADCASTING BUREAU

**Controlling officer:** the Secretary for Information Technology and Broadcasting will account for expenditure under this Head.

Estimate 2000–01.....	<b>\$128.4m</b>
Establishment ceiling 2000–01 (notional annual mid-point salary value) representing an estimated 75 non-directorate posts at 31 March 2000 and at 31 March 2001.....	<b>\$29.9m</b>
In addition there will be an estimated ten directorate posts at 31 March 2000 and at 31 March 2001.	
Capital Account commitment balance.....	<b>\$22.4m</b>

### Controlling Officer's Report

#### Programmes

<p><b>Programme (1) Broadcasting and Film Services</b></p> <p><b>Programme (2) Information Technology</b></p> <p><b>Programme (3) Telecommunications</b></p>	<p>These programmes contribute to Policy Area 17: Information Technology and Broadcasting (Secretary for Information Technology and Broadcasting).</p>
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#### Detail

##### Programme (1): Broadcasting and Film Services

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	<b>2000–01 (Estimate)</b>
Financial provision (\$m)	21.0	26.2 (+24.8%)	23.8 (–9.2%)	<b>24.5 (+2.9%)</b>

#### Aim

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

#### Brief Description

3 The Bureau's main responsibilities under this programme are to formulate policies on broadcasting, the control of obscene and indecent articles, film censorship, and the promotion of the development of the film industry.

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 1999–2000, the Bureau has:

- completed the drafting of a new, technology-neutral Broadcasting Bill;
- conducted technical trials on digital audio broadcasting and digital terrestrial television;
- invited applications for the provision of new television services in Hong Kong and received ten applications;
- completed the mid-term review of the subscription television broadcasting licence of the Hong Kong Cable Television Limited;
- completed the review on the effectiveness of the Code of Practice developed by the Internet service provider industry for regulating obscene and indecent materials transmitted through the Internet;
- amended the Film Censorship Ordinance and Regulations to make the regulatory regime more business-friendly; and
- formulated a new regulatory framework governing the use of dangerous goods in the production of special effects in film and television programme production and theatrical performance.

#### Matters Requiring Special Attention in 2000–01

6 During 2000–01, the key tasks will include:

- providing a fair, open and technology-neutral regulatory environment for the broadcasting industry through the introduction of the Broadcasting Bill;

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- consulting the industry and the community on the regulatory framework for digital audio broadcasting and digital terrestrial television;
- drawing up the licensing framework for satellite broadcasting services using the four broadcasting-satellite services channels assigned by the International Telecommunication Union to Hong Kong;
- issuing guidance notes on applications for the new categories of licences under the regulatory environment to be established under the Broadcasting Bill;
- enacting a new ordinance to govern the use of dangerous goods in the production of special effects in film and television programme production and theatrical performance; and
- completing the public consultation on the Control of Obscene and Indecent Articles Ordinance and introducing measures aimed at improving the operation and effectiveness of the Ordinance.

### Programme (2): Information Technology (IT)

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	16.7	32.2 (+92.8%)	37.2 (+15.5%)	86.9 (+133.6%)

### *Aim*

7 The aim is to enhance and promote Hong Kong's information infrastructure and services so as to make Hong Kong a leading digital city in the globally connected world of the 21st century.

### *Brief Description*

8 The Bureau's main responsibilities under the IT programme are to formulate policies and implement initiatives to facilitate and promote IT development and application within Government and across the community.

9 In 1999–2000, the Bureau has:

- awarded the contract for the supply of the system for the implementation of the first phase of the Electronic Service Delivery scheme;
- established a legal framework for electronic commerce through the enactment of the Electronic Transactions Ordinance;
- set up a public certification authority through the Hongkong Post to provide certification services to the public and to facilitate the conduct of safe and secure electronic transactions;
- launched programmes to encourage the private sector, especially small and medium-sized enterprises, to engage in electronic commerce;
- signed Memoranda of Understanding on IT co-operation with the United Kingdom and Finland;
- successfully resolved the Year 2000 problem for computer and embedded systems and achieved a smooth and orderly transition to Year 2000 for Hong Kong as a whole; and
- embarked on the planning and development of the Cyberport at Telegraph Bay as a flagship project to put Hong Kong firmly on the global IT map.

### *Matters Requiring Special Attention in 2000–01*

10 During 2000–01, the key tasks will include:

- implementing the first phase of the Electronic Service Delivery scheme by October 2000;
- exploring with other economies, either on a bilateral or multilateral basis, arrangements for cross recognition of certification authorities;
- implementing programmes to encourage the private sector, especially small and medium-sized enterprises, to engage in electronic commerce;
- implementing pilot projects which help to promote the use of IT within the community;
- exploring the possibility of concluding bilateral arrangements on IT co-operation with interested partners; and
- overseeing the development of the Cyberport project and finalising the institutional arrangements for the future management of the Cyberport.

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### Programme (3): Telecommunications

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	7.1	7.9 (+11.3%)	8.1 (+2.5%)	17.0 (+109.9%)

### *Aim*

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

### *Brief Description*

12 The Bureau's main responsibility under this programme is to formulate policies and programmes in order to provide the necessary regulatory framework for telecommunications, create an open and competitive market, facilitate the development of an open, integrated broadband network and establish Hong Kong as a world-class telecommunications centre.

13 In 1999–2000, the Bureau has:

- decided to extend the moratorium on the issue of new wireline-based local fixed telecommunications network services (FTNS) licences till the end of 2002 in order to encourage the incumbent FTNS licensees to roll out their networks;
- invited operators to provide wireless local fixed telecommunications network services and granted five licences;
- issued an FTNS licence to Hong Kong Cable Television Limited to provide telecommunications services over its network;
- invited operators to provide, with effect from 1 January 2000, external telecommunications facilities using non-cable based technology and/or bringing new physical cables into Hong Kong, and granted 12 licences for satellite facilities. 19 licence applications for new cables are being evaluated;
- decided to allow Hong Kong-licensed broadcasters to utilise the spare capacity in their own satellite facilities to carry telecommunications services and broadcasting programmes; and
- introduced the Telecommunication (Amendment) Bill 1999 into the Legislative Council with a view to improving the regulatory framework for the telecommunications industry.

### *Matters Requiring Special Attention in 2000–01*

14 During 2000–01, the Bureau will:

- bring into effect enhanced competition safeguards, a streamlined licensing framework and improved measures for access to shielded areas by mobile telecommunication services under the Telecommunication (Amendment) Bill 1999, subject to the passage of the Bill by the Legislative Council;
- improve access for telecommunications services by introducing legislative proposals to make the provision of in-building access facilities for fixed telecommunications networks a mandatory requirement for new buildings; and
- facilitate the staging of an international telecommunications exhibition cum conference "International Telecommunication Union TELECOM Asia 2000" organised by the International Telecommunication Union.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	1998-99 (Actual) (\$m)	1999-2000 (Approved) (\$m)	1999-2000 (Revised) (\$m)	2000-01 (Estimate) (\$m)
(1) Broadcasting and Film Services.....	21.0	26.2	23.8	24.5
(2) Information Technology.....	16.7	32.2	37.2	86.9
(3) Telecommunications.....	7.1	7.9	8.1	17.0
	44.8	66.3	69.1	128.4
		(+48.0%)	(+4.2%)	(+85.8%)

*Note:* The programmes under Head 55 have been rearranged with effect from 9 April 1998, when the former Broadcasting, Culture and Sport Bureau was reorganised into the Information Technology and Broadcasting Bureau. For comparison purpose, the actual expenditure of \$0.6m for 1998-99 attributable to the activities of the Culture and Sport Wing transferred to the Home Affairs Bureau under Head 53 on 9 April 1998 has been excluded.

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2000-01 is \$0.7 million (2.9%) higher than the revised estimate for 1999-2000. This is mainly due to the full-year provision for vacancies filled in 1999-2000 and the increased requirement on departmental expenses.

##### Programme (2)

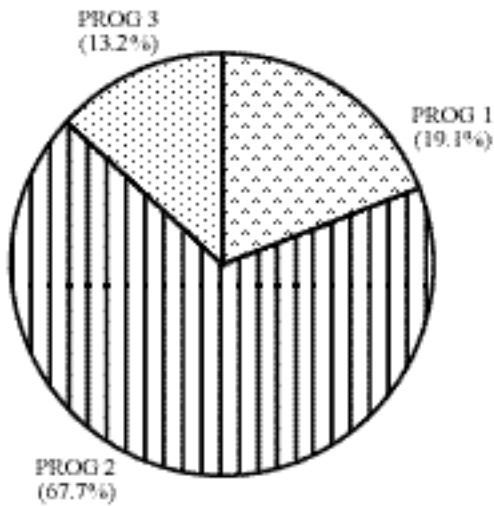
Provision for 2000-01 is \$49.7 million (133.6%) higher than the revised estimate for 1999-2000. This is mainly due to additional provision to meet the recurrent requirements arising from the implementation of the first phase of the Electronic Service Delivery scheme.

##### Programme (3)

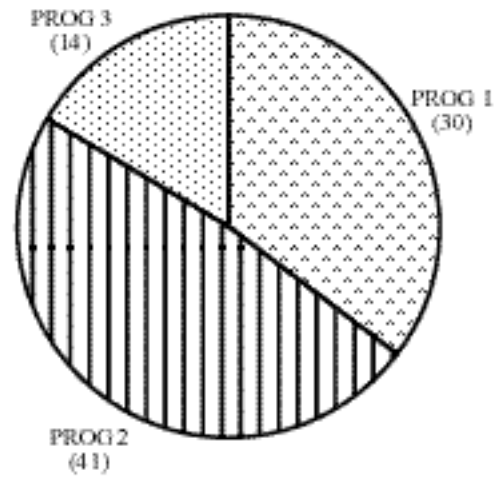
Provision for 2000-01 is \$8.9 million (109.9%) higher than the revised estimate for 1999-2000. This is mainly due to additional provision for supporting the staging of International Telecommunication Union TELECOM Asia 2000.

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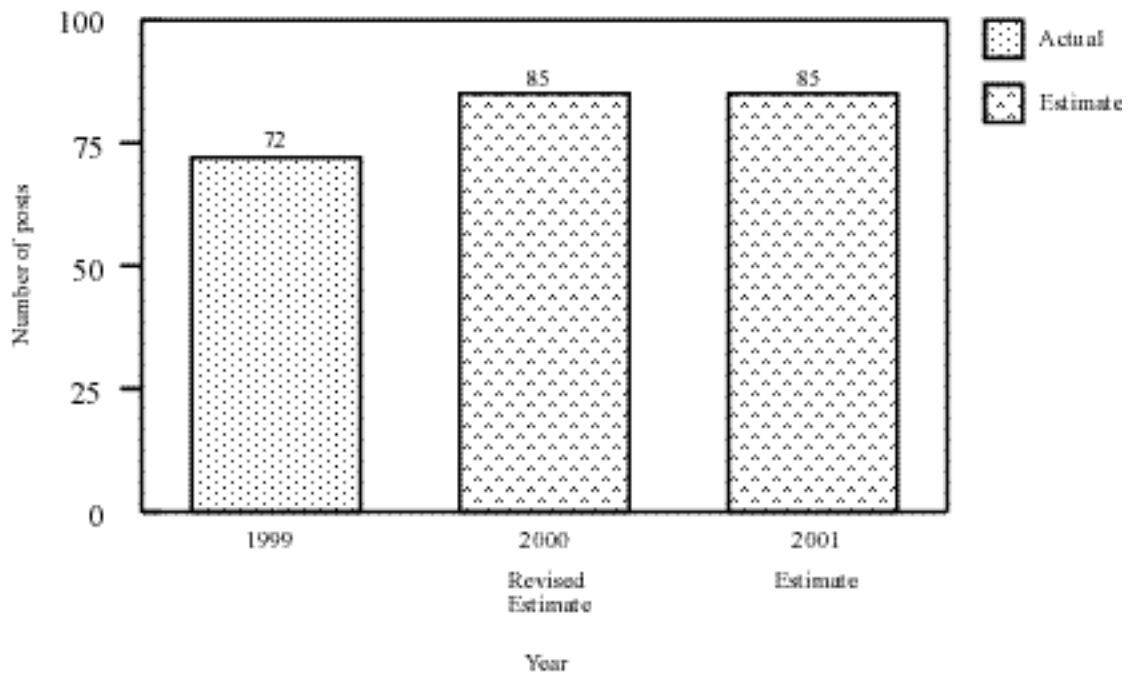
*Allocation of provision to programmes (2000-01)*



*Staff by programme (as at 31 March 2001)*



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



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Sub-head (Code)		Actual expenditure 1998-99	Approved estimate 1999-2000	Revised estimate 1999-2000	<b>Estimate 2000-01</b>
		\$ 000	\$ 000	\$ 000	\$' 000
<b>Recurrent Account</b>					
I — Personal Emoluments					
001	Salaries.....	31,487	35,788	39,754	<b>42,241</b>
002	Allowances.....	2,172	3,044	3,028	<b>3,044</b>
007	Job-related allowances.....	6	7	7	<b>7</b>
	Total, Personal Emoluments .....	33,665	38,839	42,789	<b>45,292</b>
III — Departmental Expenses					
149	General departmental expenses.....	9,676	17,495	15,058	<b>62,581</b>
	Total, Departmental Expenses .....	9,676	17,495	15,058	<b>62,581</b>
	Total, Recurrent Account .....	43,341	56,334	57,847	<b>107,873</b>
<b>Capital Account</b>					
I — Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	273	—	7	—
	Total, Plant, Equipment and Works .....	273	—	7	—
II — Other Non-Recurrent					
700	General other non-recurrent.....	1,834	10,000	11,200	<b>20,500</b>
	Total, Other Non-Recurrent.....	1,834	10,000	11,200	<b>20,500</b>
	Total, Capital Account.....	2,107	10,000	11,207	<b>20,500</b>
	Total Expenditure .....	45,448	66,334	69,054	<b>128,373</b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Information Technology and Broadcasting Bureau is \$128,373,000. This represents an increase of \$59,319,000 over the revised estimate for 1999–2000 and of \$82,925,000 on actual expenditure in 1998–99.

#### Recurrent Account

##### Personal Emoluments

2 Provision of \$45,292,000 for personal emoluments represents an increase of \$2,503,000 over the revised estimate for 1999–2000 and takes into account the full-year provision for posts created and vacancies filled in 1999–2000.

3 The establishment at 31 March 2000 will be 83 permanent posts and two supernumerary posts. No change in establishment is expected by 31 March 2001.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2000–01, but the notional annual mid-point salary value of all such posts must not exceed \$29,895,000 which will be reduced to \$28,802,000 upon the deletion of seven posts following the completion of an international telecommunications exhibition cum conference organised by the International Telecommunication Union in the course of the year.

5 Provision of \$3,044,000 under *Subhead 002 Allowances* is for standard allowances and the following non-standard allowance —

	Rank	Master Pay Scale point	Rate per month† \$
consolidated overtime allowance for Chauffeur grade	Chauffeur	6	5,570
		7	5,940
		8	6,330
		9	6,740
		10	7,145

† These rates are payable for the first 1–100 hours overtime per month. Overtime performed in excess of 100 hours will be compensated at 1% of the monthly rate per hour.

6 Provision of \$7,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

##### Departmental Expenses

7 Provision of \$62,581,000 under *Subhead 149 General departmental expenses* represents an increase of \$47,523,000 (315.6%) over the revised estimate for 1999–2000. This is mainly due to additional provision to meet the recurrent requirements arising from the implementation of the first phase of the Electronic Service Delivery scheme.

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**Capital Account**

**Commitments**

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.99	Revised estimated expenditure for 1999–2000	Balance
			\$ 000	\$ 000	\$ 000	\$ 000
700		<i>General other non-recurrent</i>				
655		Support programme to promote the wider use of information technology in the Hong Kong Special Administrative Region.....	10,000	—	8,000	2,000
658		Promotion and publicity for Cyberport...	4,000	—	—	4,000
659		To support the staging of International Telecommunication Union TELECOM Asia 2000.....	8,400	—	—	8,400
661		Co-organisation of the Information Infrastructure Expo and Conference 2001 and participation in other information technology-related exhibitions .....	4,000	—	—	4,000
662		Promotion of electronic commerce in the Hong Kong Special Administrative Region.....	4,000	—	—	4,000
		<b>Total.....</b>	<b>30,400</b>	<b>—</b>	<b>8,000</b>	<b>22,400</b>