

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 2001–02.....	\$185.9m
Establishment ceiling 2001–02 (notional annual mid-point salary value) representing an estimated 72 non-directorate posts at 31 March 2001 rising by one post to 73 posts at 31 March 2002	\$28.5m
In addition there will be an estimated ten directorate posts at 31 March 2001 and at 31 March 2002.	
Capital Account commitment balance.....	\$58.9m

Controlling Officer's Report

Programmes

<p>Programme (1) Broadcasting and Film Services</p> <p>Programme (2) Information Technology</p> <p>Programme (3) Telecommunications</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

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	22.6	24.5 (+8.4%)	23.0 (–6.1%)	21.8 (–5.2%)

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, control of obscene and indecent articles, film censorship, and 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 2000–01, the bureau:

- introduced a new, technology-neutral Broadcasting Bill which was enacted by Legislative Council in June 2000;
- conducted consultation with the industry and the community on the policy proposals for digital terrestrial broadcasting;
- introduced the Broadcasting (Licence Fees) Regulation to implement full-cost recovery licence fees for new categories of licences under the Broadcasting Ordinance;
- amended the sound broadcasting licences of Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited to implement the full-cost recovery licence fees and abolish the charging of royalty;
- renewed the sound broadcasting licence of Hong Kong Commercial Broadcasting Company Limited;
- processed the applications for the provision of new television services in Hong Kong resulting in the grant of four new domestic pay television programme service licences in end-2000;
- conducted public consultation on the policy proposals arising from the 2000 Review of the Control of Obscene and Indecent Articles Ordinance; and
- introduced the Entertainment Special Effects Bill and its subsidiary legislation into the Legislative Council to establish a new regulatory system governing the use of dangerous goods in the production of special effects in film and television programme production and theatrical performance. The new regulatory system came into effect in March 2001.

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Matters Requiring Special Attention in 2001–02

6 During 2001–02, the key tasks will include:

- formulating a licensing and regulatory framework for broadcasting services under a digital environment;
- bringing the regulatory framework for sound broadcasting services under the technology-neutral Broadcasting Ordinance;
- standardising the licence conditions for new categories of licences under the Broadcasting Ordinance;
- licensing satellite broadcasting services using the broadcasting-satellite services channels assigned by the International Telecommunication Union to Hong Kong;
- monitoring and keeping under review the new regulatory system governing the use of dangerous goods in the production of special effects to ensure that it meets the operational needs of the industry; and
- introducing legislative amendments to implement the proposals arising from the 2000 Review of the Control of Obscene and Indecent Articles Ordinance.

Programme (2): Information Technology (IT)

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	35.1	86.9 (+147.6%)	79.2 (–8.9%)	108.5 (+37.0%)

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 2000–01, the bureau:

- launched the first phase of the Electronic Service Delivery scheme;
- brought the Electronic Transactions Ordinance into force and commenced to accept the submission of electronic information to the Government by the public;
- initiated discussions on the arrangements for cross recognition of certification authorities on a bilateral basis with Australia, the United Kingdom and Canada, and participated in relevant discussions in the Asia Pacific Economic Co-operation;
- launched programmes to encourage the private sector, especially small and medium-sized enterprises, to engage in electronic commerce;
- implemented an electronic form project to transform government forms frequently used by the public into the electronic format so that they can be filled in, signed and submitted to the Government electronically;
- signed a Memorandum of Understanding on IT Co-operation with India and a bilateral Agreement with Israel on the same subject;
- co-organised the IT Hong Kong Campaign with Information Technology Services Department and Home Affairs Department to promote IT awareness in the community;
- conducted a review of the "Digital 21" IT strategy to update Government's policy and initiatives on IT development; and
- concluded a legally binding Project Agreement with a private sector company performing the role of the developer of the Cyberport project and started the building of the Cyberport.

Matters Requiring Special Attention in 2001–02

10 During 2001–02, the key tasks will include:

- reviewing the Electronic Transactions Ordinance;
- providing more government services on-line through the further implementation of the Electronic Service Delivery scheme;
- building e-government through various IT initiatives;

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- exploring further with other economies, on a bilateral or multilateral basis, arrangements for cross recognition of certification authorities;
- implementing additional programmes to encourage the private sector, especially small and medium-sized enterprises, to engage in electronic commerce;
- implementing projects which help promote wider use of IT in the community;
- implementing projects to exploit advanced technologies in the IT field;
- examining means to ensure sufficient and stable supply of suitable and quality IT manpower in Hong Kong;
- exploring collaborative projects with partners with whom we have concluded bilateral arrangements on IT co-operation; and
- putting in place the institutional arrangements for the selection of tenants and for the future management of the Cyberport, and promoting the Cyberport globally and locally as our flagship IT project.

Programme (3): Telecommunications

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	7.6	17.0 (+123.7%)	25.3 (+48.8%)	55.6 (+119.8%)

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 2000–01, the bureau:

- brought into effect enhanced competition safeguards, a phased streamlined licensing framework and improved access to shielded areas by mobile telecommunications services with the enactment of the Telecommunication (Amendment) Ordinance 2000;
- improved access for telecommunications services by bringing into effect legislation which makes the provision of in-building access facilities for fixed telecommunications networks a mandatory requirement for new buildings;
- conducted consultations on the licensing of third generation mobile services before finalising the licensing and regulatory framework;
- conducted consultations on broadband interconnection, followed by the issue of a statement by the Telecommunications Authority; and
- hosted the international telecommunications exhibition and conference "International Telecommunication Union TELECOM Asia 2000".

Matters Requiring Special Attention in 2001–02

14 During 2001–02, the bureau will:

- issue licences for third generation mobile services;
- invite applications for new local fixed wireline-based telecommunications network services licences; and
- continue to implement the improved regulatory framework under the Telecommunication (Amendment) Ordinance 2000, including to bring into effect subsidiary legislation and provide industry guidelines.

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ANALYSIS OF FINANCIAL PROVISION

Programme	1999-2000 (Actual) (\$m)	2000-01 (Approved) (\$m)	2000-01 (Revised) (\$m)	2001-02 (Estimate) (\$m)
(1) Broadcasting and Film Services.....	22.6	24.5	23.0	21.8
(2) Information Technology.....	35.1	86.9	79.2	108.5
(3) Telecommunications.....	7.6	17.0	25.3	55.6
	65.3	128.4	127.5	185.9
		(+96.6%)	(-0.7%)	(+45.8%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2001-02 is \$1.2 million (5.2%) lower than the revised estimate for 2000-01. This is mainly due to a reduction in operating expenses achieved under the Enhanced Productivity Programme.

Programme (2)

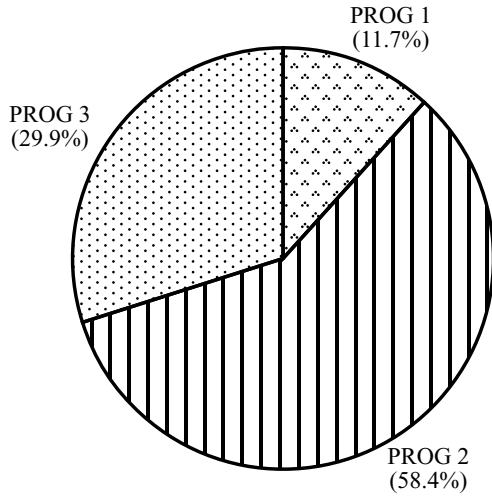
Provision for 2001-02 is \$29.3 million (37.0%) higher than the revised estimate for 2000-01. This is mainly due to additional provision for the implementation of the first phase of the Electronic Service Delivery scheme and the transfer of one post from Head 180 —Television and Entertainment Licensing Authority in 2001-02.

Programme (3)

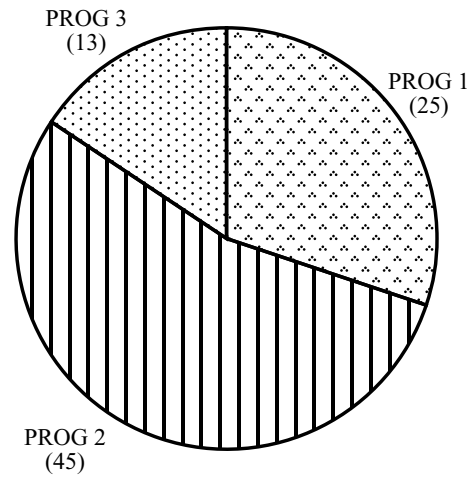
Provision for 2001-02 is \$30.3 million (119.8%) higher than the revised estimate for 2000-01. This is mainly due to the additional provision for engaging consultancy services for licensing of third generation mobile services.

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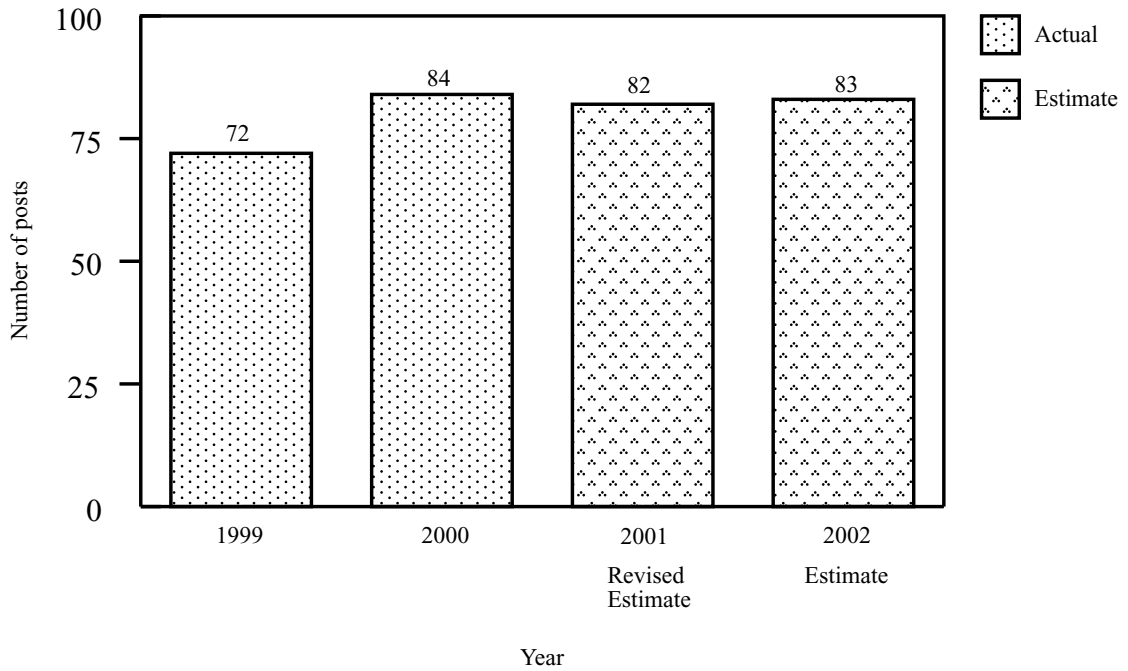
Allocation of provision to programmes (2001-02)



Staff by programme (as at 31 March 2002)



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



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Sub-head (Code)		Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	Estimate 2001–02
		\$ '000	\$ '000	\$ '000	\$'000
Recurrent Account					
I — Personal Emoluments					
001	Salaries.....	39,400	42,241	43,932	42,934
002	Allowances.....	2,816	3,044	3,044	3,044
007	Job-related allowances.....	6	7	7	7
	Total, Personal Emoluments	42,222	45,292	46,983	45,985
III — Departmental Expenses					
149	General departmental expenses.....	12,219	62,581	45,000	20,500
	Total, Departmental Expenses	12,219	62,581	45,000	20,500
IV — Other Charges					
168	Electronic Service Delivery scheme	—	—	—	60,534
	Total, Other Charges	—	—	—	60,534
	Total, Recurrent Account	54,441	107,873	91,983	127,019
Capital Account					
I — Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	7	—	—	—
	Total, Plant, Equipment and Works	7	—	—	—
II — Other Non-Recurrent					
700	General other non-recurrent.....	10,826	20,500	35,500	58,900
	Total, Other Non-Recurrent.....	10,826	20,500	35,500	58,900
	Total, Capital Account.....	10,833	20,500	35,500	58,900
	Total Expenditure	65,274	128,373	127,483	185,919

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Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Information Technology and Broadcasting Bureau is \$185,919,000. This represents an increase of \$58,436,000 over the revised estimate for 2000–01 and of \$120,645,000 over actual expenditure in 1999–2000.

Recurrent Account

Personal Emoluments

2 Provision of \$45,985,000 for personal emoluments represents a decrease of \$998,000 against the revised estimate for 2000–01.

3 The establishment at 31 March 2001 will be 80 permanent posts and two supernumerary posts. It is expected that one permanent post will be created in 2001–02.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$28,506,000.

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	5	5,240
		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 \$20,500,000 under *Subhead 149 General departmental expenses* represents a decrease of \$24,500,000 (54.4%) against the revised estimate for 2000–01. This is mainly due to the transfer of provision for the implementation of the first phase of the Electronic Service Delivery scheme to a new *Subhead 168* under Other Charges from 2001–02 onwards. Creation of the new Subhead is to facilitate monitoring of the provisions for the Electronic Service Delivery scheme.

Other Charges

8 Provision of \$60,534,000 under *Subhead 168 Electronic Service Delivery scheme* is transferred from *Subhead 149* and includes additional provision for 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 31.3.2000	Revised estimated expenditure for 2000-01	Balance
			\$ 000	\$ 000	\$ 000	\$ 000
700		<i>General other non-recurrent</i>				
	658	Promotion and publicity for Cyberport...	4,000	—	2,100	1,900
	662	Promotion of electronic commerce in the Hong Kong Special Administrative Region.....	6,000	—	4,000	2,000
	665	Co-organisation of the Information Infrastructure Expo and Conference 2002 and participation in other information technology-related exhibitions	4,000	—	—	4,000
	666	Promotion of the wider use of the Internet in the community	4,000	—	—	4,000
	667	Consultancy services for licensing of third generation mobile services	55,000	—	8,000	47,000
		Total.....	<u>73,000</u>	<u>—</u>	<u>14,100</u>	<u>58,900</u>