Head 47 — INFORMATION TECHNOLOGY SERVICES DEPARTMENT

Controlling officer: the Director of Information Technology Services will account for expenditure under this Head.

Estimate 2003–04 .... **$578.8m**

Establishment ceiling 2003–04 (notional annual mid-point salary value) representing an estimated 759 non-directorate posts as at 31 March 2003 reducing by 63 posts to 696 posts as at 31 March 2004.. **$310.0m**

In addition there will be an estimated 17 directorate posts as at 31 March 2003 and as at 31 March 2004.

Capital Account commitment balance **$3.5m**

Controlling Officer's Report

Programmes

Programme (1) Use of Information Technology (IT) in Government	These programmes contribute to Policy Area 17: Information Technology and Broadcasting (Secretary for Commerce, Industry and Technology).
Programme (2) IT Infrastructure and Standards	
Programme (3) IT in the Community	

Detail

Programme (1): Use of IT in Government

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	**2003–04 (Estimate)**
Financial provision ($m)	514.5	501.4 (−2.5%)	483.4 (−3.6%)	**457.9 (−5.3%)**

Aim

2 The aim is to promote and facilitate the widespread adoption of IT in the Government to enhance its operations and services to the public.

Brief Description

3 The Director of Information Technology Services is the Government's IT advisor. The Information Technology Services Department provides advice and assistance to bureaux and departments in identifying and planning for their individual and collective IT needs. It works to ensure the timely and cost-effective delivery of quality IT solutions, including IT programme development, enhancement, maintenance and on-going support. In addition, the department assists bureaux and departments in developing their IT management and capability to take full advantage of the benefits of IT and assists the E-government Coordination Office (EGCO) of the Information Technology and Broadcasting Branch (ITBB) of the Commerce, Industry and Technology Bureau (CITB) in the development of IT programme under the E-government initiatives.

4 In 2002–03, the department:

- assisted the EGCO and bureaux/departments in the development of IT programmes under the E-government initiatives;

- assisted bureaux/departments in the implementation of IT programmes to facilitate intra- and inter-departmental transactions for joined-up government;

- assisted bureaux/departments in providing e-options for public services which are amenable to the electronic mode of delivery, with a target of having 90% of such services with e-options by end-2003;

- embarked on a change management programme in the department with a view to refocusing its core functions and services and enhancing its operational efficiency and effectiveness to facilitate implementation of the HKSAR's Digital 21 strategy and the E-government programme;

- empowered bureaux and departments to take up responsibility of managing their own IT matters through the setting up of ten IT Management Units (ITMUs), with a total of 32 bureaux and departments covered by ITMUs;

- embedded Business Process Re-engineering considerations in the development of computer systems;

- will have completed two Information Systems Strategy Studies/Reviews, 16 feasibility studies and implementation of 100 computer applications for bureaux and departments;

- completed the implementation of the Confidential Mail Programme in 15 departments within the Government, marking the completion of the entire Programme;

- completed the implementation of the Government Office Automation Extension Programme for 14 departments within the Government;

- launched a web service at the Government intranet to facilitate the conduct of inter-departmental electronic transactions;

- co-ordinated the implementation of the Pilot Accessibility Programme in seven bureaux and departments;

- co-ordinated and managed the implementation of the Multi-Application Smart ID Card Programme;

- assisted bureaux and departments in the surveillance of technologies and sourcing of IT products, solutions and services;

- implemented the new Information Technology Professional Services Arrangement under which 23 standing offer agreements were signed with 12 contractors to provide IT professional services to bureaux and departments on an assignment basis. This arrangement helps enlarge the Government's capacity for IT service delivery and accelerate the delivery of IT solutions; and

- outsourced the application maintenance services of three departmental systems maintained by the department.

5 The key performance measures in respect of use of IT in the Government are:

Target

	Target	2001 (Actual)	2002 (Actual)	**2003 (Plan)**
percentage of services rendered meeting requirements set out in service level documents agreed with users	100.0	100.0	100.0	**100.0**

Indicators

	2001 (Actual)	2002 (Actual)	**2003 (Estimate)**
percentage of staff with designated workstations	58.6	67.7	**76.0**
no. of bureaux/departments with IT plans in place	44	51	**54**
results of post-implementation reviews on completed projects			
percentage completed on schedule	81.5	67.4	**75.0**
percentage completed within budget	100.0	100.0	**100.0**
percentage meeting agreed specifications	100.0	100.0	**99.0**
percentage achieving intended benefits	100.0	100.0	**99.0**

	2001–02 (Actual)	2002–03 (Estimate)	**2003–04 (Estimate)**
total value of work undertaken in the year ($m)	1,478	1,698	**1,967**
total value of work outsourced in the year ($m)	1,232	1,477	**1,311**

Matters Requiring Special Attention in 2003–04

6 During 2003–04, the department will:

- continue to assist the EGCO and bureaux/departments in providing e-option for 90% of public services which are amenable to the electronic mode of delivery by end-2003;

- continue to facilitate bureaux and departments in establishing their ITMUs;

- continue with the Business Process Re-engineering studies in the course of developing IT systems;

- continue to co-ordinate and manage the implementation of the Multi-Application Smart ID Card Programme scheduled to be rolled out in mid 2003;

- continue to facilitate joined-up E-government services;

- assist participating bureaux and departments in the development and implementation of Government Electronic Trading Service scheduled to be rolled out in 2004;

- continue to provide IT advice and support in the Digital Trade and Transportation Network (DTTN) and E-logistics initiatives;

- complete the implementation of the Government Office Automation Extension Programme for the remaining nine departments;

- complete the implementation of the Pilot Accessibility Programme for the seven participating bureaux and departments;

- continue to provide premium and reliable support to bureaux and departments in the evaluation, sourcing and contracting for IT products, solutions, and professional services, covering the full range of applicable hardware, software, data centres and professional services; and

- continue to promote product choices when sourcing IT solutions, including the use of open source software, in implementing E-government initiatives.

Programme (2): IT Infrastructure and Standards

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	**2003–04 (Estimate)**
Financial provision ($m)	78.2	86.4 (+10.5%)	83.8 (−3.0%)	**97.7 (+16.6%)**

Aim

7 The aim is to foster the development of the IT infrastructure and standards in the Hong Kong Special Administrative Region (HKSAR).

Brief Description

8 The department provides support to the CITB in developing IT infrastructure and setting of standards so as to keep Hong Kong in the forefront of IT development and to promote a wider use of IT in Hong Kong. The department seeks to develop an information infrastructure with an open common interface through which the Government, business and the general public can interact easily and securely. It also seeks to introduce common standards which apply to both the public and private sectors.

9 In 2002–03, the department:

- published an inter-operability framework to facilitate the inter-operability of applications within the Government as well as between the Government and external parties;

- provided infrastructural support and facilities management services for central and common IT facilities for electronic transactions and messaging, including the Central Internet Gateway, the Government Information Centre, and the Government Backbone Network;

- provided advice and support to bureaux and departments in the implementation of information security policies, guidelines and practices;

- serviced the Working Group on Internet2 Developments which comprised representatives of the Government, academia and industry to deliberate on the development of the next generation Internet technologies in Hong Kong;

- helped implement additional applications under the Electronic Service Delivery (ESD) scheme;

- co-ordinated the implementation of a simplified Chinese character version for some 200 Government websites for enhancing the accessibility of Government websites to Chinese communities outside Hong Kong, in particular the Mainland, as well as for facilitating cross-border e-business with these communities;

- granted recognition to two certification authorities under the Voluntary Certification Authority Recognition Scheme of the Electronic Transactions Ordinance (Cap. 553); and

- provided technical support to the CITB in the review of the Electronic Transactions Ordinance (Cap. 553).

Matters Requiring Special Attention in 2003–04

10 During 2003–04, the department will:

- implement and continue to enhance the Interoperability Framework to facilitate the development of E-government services and electronic interfaces with the public;

- continue to provide reliable and secure central IT infrastructure facilities to support the E-government programme;

- continue to help implement additional applications under the ESD scheme so as to provide more government services online;

- enhance the Government IT infrastructure to facilitate electronic transactions;

- assist the CITB to introduce a bill to amend the Electronic Transactions Ordinance (Cap. 553) based on the recommendations arising from the review of the legislation;

- continue to take part in the Ideographic Rapporteur Group (IRG) of the International Organization for Standardization (ISO) with a view to including special Chinese characters commonly used in the HKSAR in the ISO 10646 international coding standard; and

- continue to process applications for recognition under the Voluntary Certification Authority Recognition Scheme and the on-going assessment of recognised certification authorities.

Programme (3): IT in the Community

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	**2003–04** **(Estimate)**
Financial provision ($m)	32.7	28.8 (−11.9%)	28.6 (−0.7%)	**23.2** **(−18.9%)**

Aim

11 The aim is to promote and facilitate the development and adoption of IT in the community to enhance the social and economic well-being of the HKSAR.

Brief Description

12 The department provides support to CITB in promoting and facilitating the wider use of IT in the community and in fostering the development of the local IT industry. It helps promote awareness and understanding of IT and its applications through an active promotion programme. It also works in close partnership with the local IT industry, academia and other professional bodies to encourage the cross-fertilisation of ideas and promote the use of new and emerging technologies within the community.

13 In 2002–03, the department:

- facilitated the establishment of the Hong Kong Internet Registration Corporation for the administration and assignment of Internet domain names in Hong Kong and the introduction of registration of individual Internet domain names in Hong Kong;

- completed annual surveys on the use of IT in households and the business community to assess the usage and development of IT in Hong Kong;

- conducted nine seminars in collaboration with industry partners in specific sectors to encourage the private sector, especially the small and medium enterprises (SMEs), to engage in e-business;

- organised roving shows and exhibitions to promote E-government, the ESD scheme and the use of digital certificates locally and overseas;

- co-organised with CITB and the Home Affairs Department (HAD) an IT Hong Kong (ITHK) campaign to promote the wider use of IT in the community;

- co-organised with CITB, Education Department (ED), Television and Entertainment Licensing Authority, HAD and the Hong Kong Education City Limited to conduct about 300 classes of free IT awareness courses for some 4 800 primary school parents and students;

- provided guidance and support to assist bureaux/departments in revamping their websites to improve web accessibility for the visually impaired;

- studied the technology for text-to-speech services in order to facilitate the visually impaired and senior citizens in accessing government online information;

- co-organised with ED and IT companies and industry body on the train-the-trainer programmes to provide practical IT training to secondary students as extra-curricular activities, and on holding IT summer camps to enhance the interest of young people in IT; and

- enhanced the promotion of and public education on information security in collaboration with bureaux and departments, industry bodies and non-government organisations, and developed a web site (www.infosec.gov.hk) to provide a one-stop portal for easy public access to relevant information and resources.

Matters Requiring Special Attention in 2003−04

14 During 2003–04, the department will:

- continue with the ITHK campaign to promote the awareness and wider use of IT in the community;

- facilitate and support the development of the local IT industry through collaborative and partnership arrangements, applied research, and joint development of government-to-business and government-to-citizen solutions where appropriate;

- co-ordinate, among government bureaux/departments, the activities to further address the issue of digital divide in Hong Kong including the promotion of barrier-free web design, the adoption of common-look-and-feel web design in government websites and the exploration of the development of text-to-speech translation services and a sound version for government websites;

- facilitate the introduction and registration of Chinese Internet domain names in Hong Kong;

- assist in the on-going publicity programme to promote the Digital 21 IT strategy locally and overseas; and

- assist in conducting surveys to monitor IT adoption in the community and businesses.

Head 47 — INFORMATION TECHNOLOGY SERVICES DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

Programme	2001–02 (Actual) ($m)	2002–03 (Approved) ($m)	2002–03 (Revised) ($m)	2003–04 (Estimate) ($m)
(1) Use of IT in Government	514.5	501.4	483.4	**457.9**
(2) IT Infrastructure and Standards	78.2	86.4	83.8	**97.7**
(3) IT in the Community	32.7	28.8	28.6	**23.2**
	625.4	616.6 (−1.4%)	595.8 (−3.4%)	**578.8 (−2.9%)**

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2003–04 is $25.5 million (5.3%) lower than the revised estimate for 2002–03. This is mainly due to the transfer of 20 posts to Customs and Excise Department, nine posts to Security Bureau, nine posts to Trade and Industry Department, five posts to Department of Justice, four posts to Government Supplies Department, three posts to Legal Aid Department, three posts to Student Financial Assistance Agency, one post to Territory Development Department, one post to Transport Department and one post to Electrical and Mechanical Services Department to support the computerisation projects and strengthen the IT management capability of these bureau and departments; transfer of six posts to ITBB to re-organise the staffing support to the Administrative Computer Projects Committee; and savings from deletion of one post and reduced operating expenditure, partly offset by additional provision for maintaining computer hardware and software and redeployment of four posts from Programme 3 to strengthen the support to E-government initiatives.
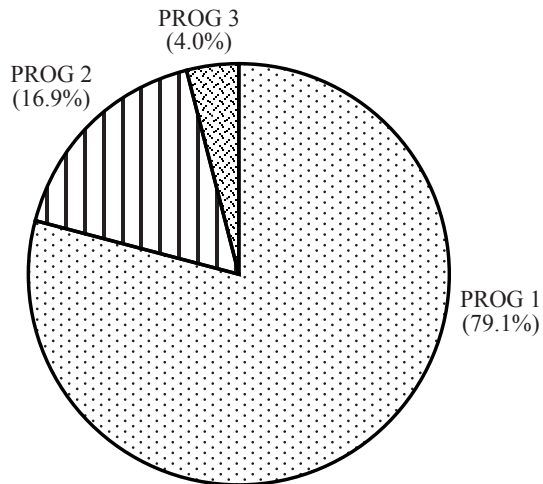
Programme (2)

Provision for 2003–04 is $13.9 million (16.6%) higher than the revised estimate for 2002–03. This is mainly due to increased requirements for IT infrastructure in support of E-government.
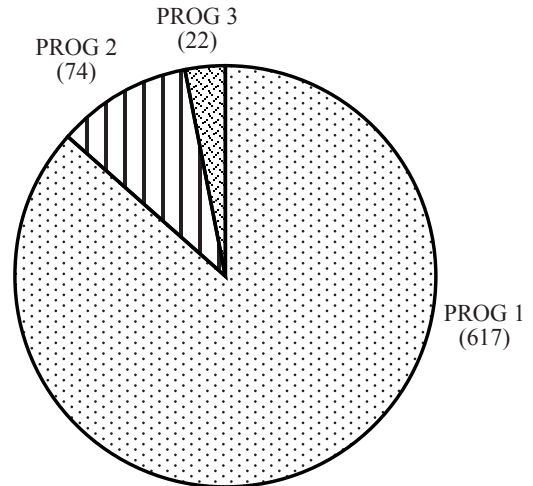
Programme (3)

Provision for 2003–04 is $5.4 million (18.9%) lower than the revised estimate for 2002–03. This is mainly due to redeployment of existing resources to strengthen the support to Programme 1 and Programme 2 including transfer of four posts to Programme 1 and savings from reduced operating expenditure.

*Allocation of provision
to programmes
(2003-04)*

PROG 3
(4.0%)

PROG 2
(16.9%)

PROG 1
(79.1%)

*Staff by programme
(as at 31 March 2004)*

PROG 3
(22)

PROG 2
(74)

PROG 1
(617)

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

Actual

Estimate

Number of posts

1 200

1 000

800

600

0

990

907

818

776

713

2000   2001   2002   2003   2004

Revised
Estimate

Estimate

Year
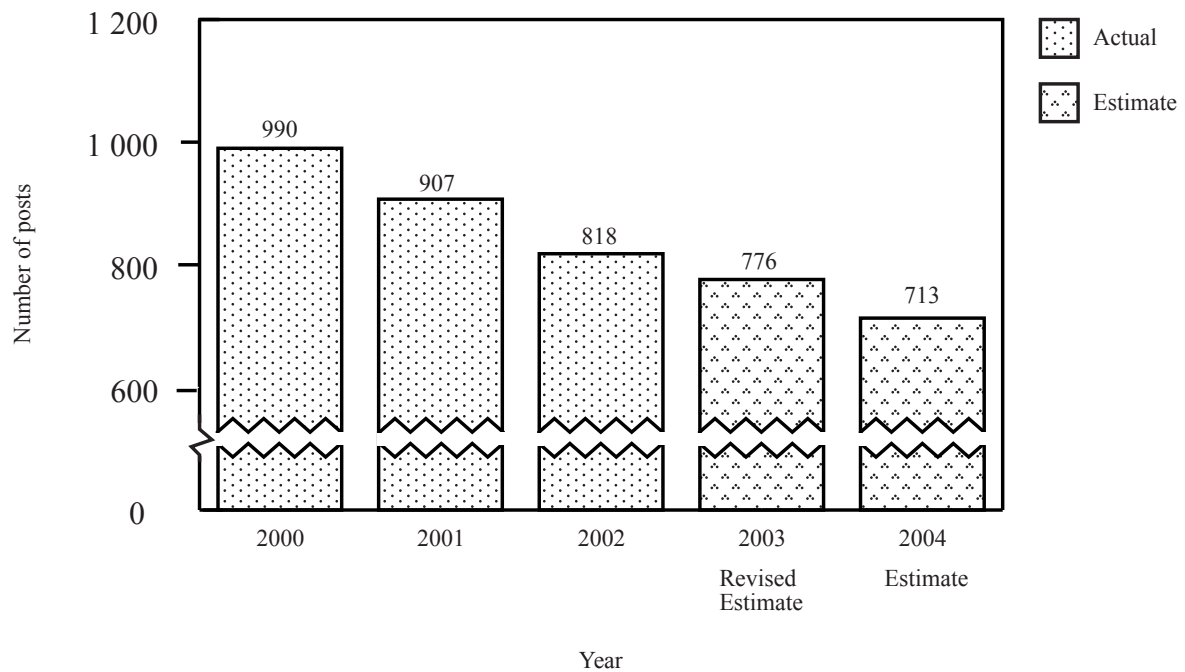
Head 47 — INFORMATION TECHNOLOGY SERVICES DEPARTMENT

Sub-head (Code)		Actual expenditure 2001–02	Approved estimate 2002–03	Revised estimate 2002–03	Estimate 2003–04
		$'000	$'000	$'000	$'000
	Recurrent Account				
000	Operational expenses	—	—	—	**575,155**
	Salaries	397,737	379,945	379,000	—
	Allowances	8,480	16,570	8,000	—
	Job-related allowances	435	524	400	—
	Hire of services and professional fees	101,667	92,347	86,000	—
	Data processing	78,601	84,965	82,965	—
	General departmental expenses	32,664	42,249	33,735	—
	Total, Recurrent Account	619,584	616,600	590,100	**575,155**
	Capital Account				
	I — Plant, Equipment and Works				
603	Plant, vehicles and equipment	—	—	—	**3,480**
661	Minor plant, vehicles and equipment (block vote)	1,916	—	—	**174**
	Total, Plant, Equipment and Works	1,916	—	—	**3,654**
	II — Other Non-Recurrent				
	General other non-recurrent	3,898	—	5,730	—
	Total, Other Non-Recurrent	3,898	—	5,730	—
	Total, Capital Account	5,814	—	5,730	**3,654**
	Total Expenditure	625,398	616,600	595,830	**578,809**

Details of Expenditure by Subhead

The estimate of the amount required in 2003–04 for the salaries and expenses of the Information Technology Services Department is $578,809,000. This represents a decrease of $17,021,000 against the revised estimate for 2002–03 and of $46,589,000 against actual expenditure in 2001–02.

Recurrent Account

2 Provision of $575,155,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Information Technology Services Department and its other operating expenses.

3 The establishment as at 31 March 2003 will be 776 permanent posts. It is expected that 62 permanent posts will be transferred to other bureaux and departments and one permanent post will be deleted in 2003–04.   Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2003–04, but the notional annual mid-point salary value of all such posts must not exceed $ 309,982,000, which will be reduced to $309,257,000 by the end of 2003–04, upon the deletion of one post during the year.

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

	2001–02 (Actual)	2002–03 (Original Estimate)	2002–03 (Revised Estimate)	**2003–04 (Estimate)**
	($'000)	($'000)	($'000)	**($'000)**
Personal Emoluments				
- Salaries..	397,737	379,945	379,000	**345,275**
- Allowances...	8,480	16,570	8,000	**10,155**
- Job-related allowances	435	524	400	**80**
Personnel Related Expenses				
- Mandatory Provident Fund				
contribution...	—	—	—	**50**
Departmental Expenses				
- Hire of services and professional fees......	101,667	92,347	86,000	**91,068**
- Data processing......................................	78,601	84,965	82,965	**92,245**
- General departmental expenses................	32,664	42,249	33,735	**36,282**
	619,584	616,600	590,100	**575,155**

Head 47 — INFORMATION TECHNOLOGY SERVICES DEPARTMENT

Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2002	Revised estimated expenditure for 2002–03	Balance
			$'000	$'000	$'000	$'000
603		*Plant, vehicles and equipment*				
	245	Replacement of air-conditioning equipment at 14/F, Computer Hall, Wan Chai Tower................................	3,480	—	—	3,480
		Total..	3,480	—	—	3,480