Head 47 — INFORMATION TECHNOLOGY SERVICES DEPARTMENT

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

Estimate 2004–05 .... **$506.5m**

Establishment ceiling 2004–05 (notional annual mid-point salary value) representing an estimated 678 non-directorate posts as at 31 March 2004 reducing by 92 posts to 586 posts as at 31 March 2005 .... **$261.8m**

In addition there will be an estimated 17 directorate posts as at 31 March 2004 reducing by one post to 16 posts as at 31 March 2005.

Commitment balance **$0.7m**

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

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision ($m)	486.5	457.9	432.7 (−5.5%)	**381.5** (−11.8%)

(or −16.7% on 2003–04 Original)

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/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/departments in developing their IT management and capability to take full advantage of the benefits of IT and assists the E-government Co-ordination Office (EGCO) of the Communications and Technology Branch (CTB) of the Commerce, Industry and Technology Bureau (CITB) in the development of IT programme under the E-government initiatives.

4 In 2003–04, the department:

- assisted the EGCO in the review of the E-government strategy and provided IT advice and support to the EGCO and bureaux/departments in the development of IT programmes under the E-government initiatives;

- completed a change management programme in the department to refocus its core functions and services and to enhance its operational efficiency and effectiveness in facilitating implementation of the HKSAR's Digital 21 strategy and the E-government programme;

- assisted bureaux/departments in providing e-options for public services which are amenable to the electronic mode of delivery, including the implementation of additional applications under the Electronic Service Delivery (ESD) scheme, in order to achieve the target of having 90% of such services with e-options;

- empowered bureaux/departments to take up responsibility of managing their own IT matters through the setting up of 23 IT Management Units (ITMUs), with a total of 29 additional bureaux/departments covered by ITMUs and provided advice to bureaux/departments in embedding Business Process Re-engineering considerations in the development of computer systems;

- assisted bureaux/departments in the implementation of IT programmes to further enhance IT usage and facilitate intra- and inter-departmental transactions including the implementation of an e-Leave system, the Government Office Automation Extension Programme and the Pilot Accessibility Programme;

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

- co-ordinated and managed the extension of Electronic Data Interchange (EDI) service to include the electronic submission of manifest, and the implementation of Government Electronic Trading Services (GETS) with an additional service provider;

- assisted bureaux/departments in the surveillance of technologies and sourcing of IT products, solutions and services through arranging effective contracts and agreements for hardware, software, information systems hosting as well as for IT professional services such as the IT Professional Services Arrangement;

- formulated a strategy for the outsourcing of data centre services for departmental information systems presently operated in-house and started work on its implementation; and

- will have completed two Information Systems Strategy Studies/Reviews, three feasibility studies and implementation of 91 computer applications for bureaux/departments.

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

Target

	Target	2002 (Actual)	2003 (Actual)	**2004 (Plan)**
services rendered meeting requirements set out in service level documents agreed with users (%)	100.0	100.0	100.0	**100.0**

Indicators

	2002 (Actual)	2003 (Actual)	**2004 (Estimate)**
government staff with designated workstations (%)	67.7	71.2	**75.0**
number of bureaux/departments with IT plans in place	51	52	**54**
results of post-implementation reviews on completed projects			
completed on schedule (%)	67.4	72.1	**75.0**
completed within budget (%)	100.0	100.0	**100.0**
meeting agreed specifications (%)	100.0	100.0	**100.0**
achieving intended benefits (%)	100.0	100.0	**99.0**

	2002–03 (Actual)	2003–04 (Revised Estimate)	**2004–05 (Estimate)**
total value of work undertaken in the year ($m)	1,641	1,399	**1,884**
total value of work outsourced in the year ($m)	1,437	1,243	**1,256**

Matters Requiring Special Attention in 2004–05

6   During 2004–05, the department will:

- assist CTB in considering the case for merging ITSD into the branch to create a more integrated structure within the Government to drive the E-government programme, promote the development of applications and services, support the development of the local IT industry, and drive IT adoption in the business sector and the community at large;

- assist the EGCO in the review of the ESD scheme and continue to provide IT advice and support to the EGCO and bureaux/departments in the development of IT programmes and joined-up E-government services under the E-government initiatives;

- complete the ITMU formation programme by empowering the majority of bureaux/departments with the responsibility for managing their own IT matters, and assist those bureaux/departments without formal ITMUs in the development and implementation of departmental IT programme;

- implement a knowledge management framework to facilitate the sharing of IT knowledge in the Government and foster the development of a stronger "Government IT community" consisting of staff of the department, ITMUs and IT users for the further development of E-government;

- continue to co-ordinate and manage the implementation of the remaining non-immigration applications under the Multi-Application Smart ID Card Programme;

- continue to provide IT advice and support in joined-up government project initiatives including the Government Electronic Trading Services (GETS), the Integrated Criminal Justice System (ICJS) and the Digital Trade and Transportation Network (DTTN);

- continue to assist bureaux/departments in the implementation of IT programmes to further enhance IT usage and facilitate intra and inter-departmental transactions including the implementation of an e-Leave system, a pilot project for extending the electronic tendering system to bureaux/departments and the Accessibility Programme for all bureaux/departments in Government;

- make preparatory arrangements for outsourcing of data centre services for departmental information systems presently operated in-house;

- promote the wider use of wireless and mobile services technologies within the Government;

- continue to provide premium and reliable support to bureaux/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

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	**2004–05 (Estimate)**
Financial provision ($m)	81.6	97.7	94.5 (−3.3%)	**96.2 (+1.8%)**

<div align="right">(or −1.5% on 2003–04 Original)</div>

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 2003–04, the department:

- provided technical input to CITB in the formulation of the updated Digital 21 Strategy promulgated in March 2004;

- supplemented the Interoperability Framework with guidelines for the design and management of data definitions based on the eXtensible Mark-up Language (XML) standard (data schemas) and progressively developed data standards in collaboration with other bureaux/departments;

- 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;

- reviewed and enhanced the government-wide IT security management framework including the government baseline IT security policy and related guidelines and made available the policy and guidelines documents as well as the latest computer virus and IT security alerts for public reference on the Internet;

- made available a "Chinese Input Utility" software to facilitate open-source software users to communicate in Chinese effectively; the software supported the international coding standard, ISO 10646, and the Hong Kong Supplementary Character Set 2001, which the Government has adopted as a common Chinese language interface for electronic communication;

- conducted a review of the Code of Practice for Recognised Certification Authorities to improve the operation of the Voluntary Certification Authority Recognition Scheme under the Electronic Transactions Ordinance; and

- provided technical support to the CITB in drafting the Electronic Transactions (Amendment) Bill 2003.

Matters Requiring Special Attention in 2004–05

10 During 2004–05, the department will:

• assist CITB in the implementation and promotion, both locally and overseas, of the 2004 Digital 21 Strategy;

• enhance the Interoperability Framework and provide a repository of common data schemas to facilitate the development of E-government services and electronic interfaces with the public;

• enhance the government IT infrastructure to facilitate electronic transactions and various E-government initiatives including building a shared common platform for facilitating bureaux/departments to provide government-to-citizen/government-to-business services and implementing a common authentication platform for all bureaux and departments to facilitate government-to-employee transactions;

• continue to provide reliable and secure central IT infrastructure facilities as well as advice and support to bureaux/departments in the implementation and management of information security policies and measures to upkeep the reliability and security of Government's information assets;

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

• provide technical support to CITB in handling matters in relation to the scrutiny of the Electronic Transactions (Amendment) Bill 2003 by the Legislative Council; and

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

Programme (3): IT in the Community

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	**2004–05 (Estimate)**
Financial provision ($m)	30.0	23.2	29.1 (+25.4%)	**28.8** (−1.0%)

(or +24.1% on 2003–04 Original)

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 promotes and facilitates the wider use of IT in the business sector and the community and fosters the development of the local IT industry. It promotes 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 2003–04, the department:

• represented the HKSAR Government in the Hong Kong Internet Registration Corporation (HKIRC) for the administration and assignment of Internet domain names in Hong Kong and facilitated the launch of new domain name services to help promote wider use of the Internet including the introduction of Internet domain names for individuals in Hong Kong;

• co-ordinated/completed IT surveys including the annual surveys on the use of IT in households and the business community to assess the usage and development of IT in Hong Kong, a public opinion survey on E-government services to assess customer opinion on the provision and utilisation of E-government services, and a survey on open source software (OSS) in the business sector to identify barriers to the adoption of OSS;

• promoted the wider adoption of e-business and IT in the business sector through the provision of IT helpdesk and consultancy services to the business sector, and support to launch a campaign to encourage the wider adoption of IT among the travel industry;

• organised and participated in about 20 IT carnivals, roving shows, conferences, forums and exhibitions to promote E-government, the ESD scheme, the Multi-Application Smart ID Card and the use of digital certificates locally and overseas;

- promoted the wider use of IT in the community through co-organising with other bureaux/departments and IT industry players an IT Hong Kong (ITHK) Campaign and other community educational activities; and

- produced 86 episodes of radio programmes and television features to arouse IT awareness including information security among the general public.

Matters Requiring Special Attention in 2004–05

14 During 2004–05, the department will:

- continue to facilitate and support the development of local IT industry through collaborative and partnership arrangements with Pearl River Delta (PRD) under the Mainland/Hong Kong Closer Economic Partnership Arrangement;

- continue to drive e-business and IT adoption by business sector, in particular the small and medium enterprises (SMEs), provide support to sector specific programme in driving IT adoption in business and promote the awareness and adoption of wireless and mobile services technologies;

- co-organise with the Hong Kong Trade Development Council the International Information and Communications Technology (ICT) Expo in April 2004 to help the local ICT industry expand business opportunities;

- continue to co-organise activities with other bureaux/departments and IT industry players to promote the wider adoption of IT in the community;

- continue the promotion of and public education on information security in collaboration with bureaux/departments, industry bodies and professional organisations;

- co-ordinate the activities of government bureaux/departments to bridge the digital divide in Hong Kong including promoting the development of barrier-free and common-look-and-feel web designs in government websites, implementing a pilot sound version of selected government websites through text-to-speech translation services, and providing support to the computer recycling programme run by non-government organisations;

- continue to co-organise activities with other departments, professional bodies and the IT industry to enhance the supply of quality IT manpower in Hong Kong;

- continue to represent the HKSAR Government in the HKIRC and facilitate the launch of new domain name services to help promote wider use of the Internet including the introduction and registration of second level Internet domain names and Chinese Internet domain names in Hong Kong; and

- co-ordinate surveys to monitor IT adoption in the business sector and the wider-community.

ANALYSIS OF FINANCIAL PROVISION

Programme	2002–03 (Actual) ($m)	2003–04 (Original) ($m)	2003–04 (Revised) ($m)	2004–05 (Estimate) ($m)
(1) Use of IT in Government	486.5	457.9	432.7	**381.5**
(2) IT Infrastructure and Standards	81.6	97.7	94.5	**96.2**
(3) IT in the Community	30.0	23.2	29.1	**28.8**
	598.1	578.8	556.3 (−3.9%)	**506.5** (**−9.0%**)

(or −12.5% on 2003–04 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2004–05 is $51.2 million (11.8%) lower than the revised estimate for 2003–04. This is mainly due to the transfer of 12 posts to Civil Service Bureau; nine posts to Department of Health; six posts to Labour Department; five posts to Environment, Transport and Works Bureau; four posts each to Environmental Protection Department, Lands Department and Planning Department; two posts each to Agriculture, Fisheries and Conservation Department, Buildings Department, Drainage Services Department, Home Affairs Department, Health, Welfare and Food Bureau, Highways Department and Official Receiver's Office; and one post each to Government Logistics Department, Hong Kong Observatory, Inland Revenue Department and the University Grants Committee Secretariat to support computerisation projects and strengthen the IT management capability of these bureaux and departments; deletion of 30 posts and reduced operating expenditure to achieve efficiency savings; and the effect of the 2004 and 2005 civil service pay cut.

Programme (2)

Provision for 2004–05 is $1.7 million (1.8%) higher than the revised estimate for 2003–04. This is mainly due to increased resources for supporting the shared common platform in the Government to facilitate the provision of more electronic transaction services, partly offset by the effect of the 2004 and 2005 civil service pay cut.
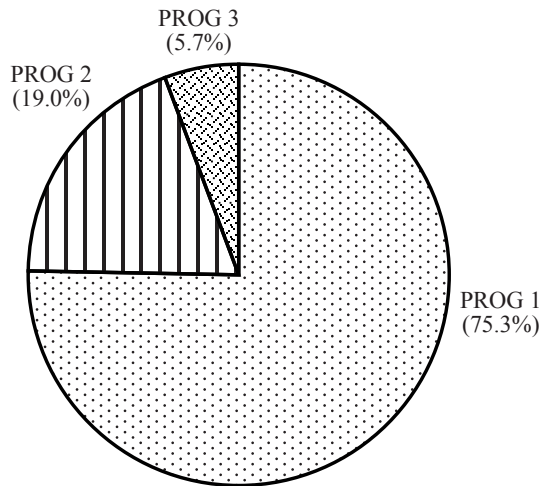
Programme (3)

Provision for 2004–05 is $0.3 million (1.0%) lower than the revised estimate for 2003–04. This is mainly due to deletion of one post to achieve efficiency savings and the effect of the 2004 and 2005 civil service pay cut.

*Allocation of provision
to programmes
(2004-05)*

*Staff by programme
(as at 31 March 2005)*

PROG 3
(5.7%)

PROG 2
(19.0%)

PROG 1
(75.3%)

PROG 3
(25)

PROG 2
(83)

PROG 1
(494)
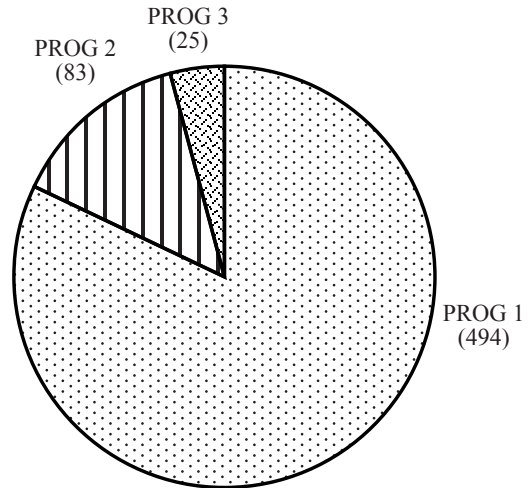
*Changes in the size of the establishment
(as at 31 March)*

Number of posts

1 000

907

818

766

695

602

750

500

250

0

2001   2002   2003   2004   2005

Revised   Estimate
Estimate

Actual

Estimate

Year
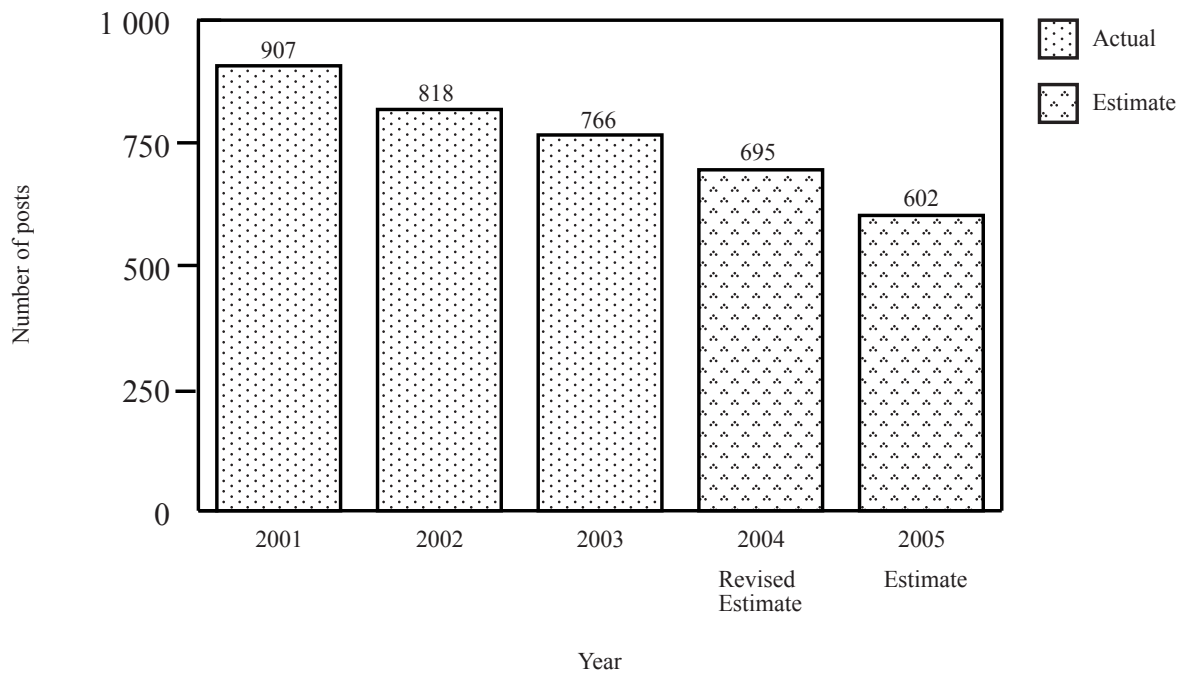
Head 47 — INFORMATION TECHNOLOGY SERVICES DEPARTMENT

Sub-head (Code)		Actual expenditure 2002–03	Approved estimate 2003–04	Revised estimate 2003–04	Estimate 2004–05
		$'000	$'000	$'000	$'000
	Operating Account				
	Recurrent				
000	Operational expenses..	—	575,155	544,000	**505,860**
	Salaries	375,653	—	—	—
	Allowances	6,383	—	—	—
	Job-related allowances	313	—	—	—
	Hire of services and professional fees	89,571	—	—	—
	Data processing	83,912	—	—	—
	General departmental expenses	37,031	—	—	—
	Total, Recurrent	592,863	575,155	544,000	**505,860**
	Non-Recurrent				
	General non-recurrent..	5,239	—	5,150	—
	Total, Non-Recurrent	5,239	—	5,150	—
	Total, Operating Account.......................	598,102	575,155	549,150	**505,860**
	Capital Account				
	Plant, Equipment and Works				
603	Plant, vehicles and equipment	—	3,480	4,850	**660**
	Minor plant, vehicles and equipment (block vote)...	—	174	2,311	—
	Total, Plant, Equipment and Works	—	3,654	7,161	**660**
	Total, Capital Account	—	3,654	7,161	**660**
	Total Expenditure....................................	598,102	578,809	556,311	**506,520**

Details of Expenditure by Subhead

The estimate of the amount required in 2004–05 for the salaries and expenses of the Information Technology Services Department is $506,520,000. This represents a decrease of $49,791,000 against the revised estimate for 2003–04 and of $91,582,000 against actual expenditure in 2002–03.

Operating Account

Recurrent

2 Provision of $505,860,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Information Technology Services Department. The decrease of $38,140,000 (7.0%) against the 2003–04 revised estimate is mainly due to transfer of posts to other bureaux and departments to strengthen the IT management support to them, deletion of posts and reduced operating expenditure to achieve efficiency savings, and the effect of the 2004 and 2005 civil service pay cut.

3 The establishment as at 31 March 2004 will be 695 posts. It is expected that 62 posts will be transferred to other bureaux and departments on 1 April 2004 and a further 31 posts including one directorate post will be deleted in 2004–05. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2004–05, but the notional annual mid-point salary value of all such posts must not exceed $261,768,000.

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

	2002–03 (Actual) ($'000)	2003–04 (Original) ($'000)	2003–04 (Revised) ($'000)	**2004–05 (Estimate) ($'000)**
Personal Emoluments				
- Salaries..	375,653	345,275	336,710	**291,652**
- Allowances...	6,383	10,155	5,190	**6,213**
- Job-related allowances	313	80	50	**77**
Personnel Related Expenses				
- Mandatory Provident Fund				
contribution..	—	50	50	**50**
Departmental Expenses				
- Hire of services and professional fees......	89,571	91,068	78,000	**80,688**
- Data processing.......................................	83,912	92,245	90,000	**93,750**
- General departmental expenses................	37,031	36,282	34,000	**33,430**
	592,863	575,155	544,000	**505,860**

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2003	Revised estimated expenditure for 2003–04	Balance
			$'000	$'000	$'000	$'000
Capital Account						
603		*Plant, vehicles and equipment*				
	246	Improvement of the chilled water routing system....................................	2,030	—	1,370	660
		Total...	2,030	—	1,370	660