

**For discussion
on 20 October 2011**

**Legislative Council
Panel on Information Technology and Broadcasting**

**Policy Initiatives of Communications and Technology Branch,
Commerce and Economic Development Bureau**

Introduction

This paper outlines the major initiatives related to the Communications and Technology Branch of the Commerce and Economic Development Bureau under the 2011 Policy Address and Policy Agenda. As for innovation and technology issues, we will brief the Panel on Commerce and Industry separately.

Information Technology

Cloud Computing

2. We will start to implement the Government Cloud Strategy. We plan to develop a Government cloud platform which will facilitate agile deployment of information technology resources for enabling cost-effective delivery of e-government services. The initial phase of the project will cover such e-government services as electronic information management, collaborative working and e-procurement. We will consult the Panel on this initial phase before seeking funding approval from the Finance Committee. We will also establish a procurement arrangement for selected public cloud services for use by Government bureaux and departments. These initiatives will facilitate the development of cloud computing in the local information and communications technology (ICT) industry.

Data Centre Development

3. Data centres are important infrastructure that supports sustained economic growth and strengthens Hong Kong's position as a business and

financial hub. To facilitate the setting up of data centres in Hong Kong, the Office of the Government Chief Information Officer (OGCIO) set up in July 2011 the Data Centre Facilitation Unit and launched the “datacentre.gov.hk” website to provide one-stop service to local and overseas companies interested in setting up data centres in Hong Kong, e.g. advice on site selection and power supply, as well as coordination with other Government departments.

4. To increase land supply for developing data centers, the the Chief Executive announced in his Policy Address that the Government has reserved about two hectares of land in Tseng Kwan O for this purpose. We expect that following the completion of town planning procedures, the first site would be available for bidding in 2013 at the earliest. In addition, we will explore with the industry practical ways to encourage developing data centres through revitalising industrial buildings, such as measures relating to short term waivers and lease modifications. We will also release more information about industrial buildings to the industry.

Digital Inclusion

5. To enable persons with disabilities to gain access to online information and services, we will launch a Web Accessibility Campaign. To set an example, Government websites will conform to Level AA requirements of the latest version (Version 2) of the Web Content Accessibility Guidelines promulgated by the World Wide Web Consortium by 2013 to the maximum extent possible to make Hong Kong one of the earliest in implementing the latest standards, ahead of many other advanced overseas countries. To encourage enterprises and organisations, especially those whose websites are frequently used by persons with disabilities, to adopt web accessibility design in their websites, we will produce a Management Handbook, set up a Web Accessibility portal and organise workshops and seminars.

6. We have provided funding support to the development of nine ICT-based assistive technology products. The assistive tools and applications will be completed by mid-2012. These products will be available for free download, distribution to needy groups, or further development with a proven concept.

Internet Learning Support Programme

7. The “i Learn at home” Internet Learning Support Programme (ILSP) was launched in July 2011 to help low-income families acquire affordable Internet services and suitable computer equipment for their school-age children to undertake web-based learning at home. In addition, user support and advice will be given to them. We have commissioned two organisations to implement the programme in the Eastern and Western parts of the territory respectively. Since its inception three months ago, some 4 500 families have registered under the Programme. We will continue to monitor and coordinate Programme implementation through a steering committee led by the Government Chief Information Officer and comprising representatives from the Education Bureau and the Social Welfare Department. We will update the Panel on its progress in the second quarter of 2012 and conduct a mid-term review by 2013.

“GovHK”

8. In December 2010, we launched MyGovHK, the personalised platform of Government’s one-stop portal, GovHK, to allow users to conveniently access and customise multiple e-government information and services by a single set of username and password.

9. In view of the increasing use of smart phones and mobile devices, we encourage bureaux/departments to develop mobile services so that the public may access public services anytime, anywhere. The two notable examples during the year were the “Tell me@1823” and the “Hong Kong eTransport” mobile applications. The OGCIO will continue to explore opportunities in delivering more services through mobile applications, and will continue to provide support to bureaux/departments on this front.

10. The Government also leverages community wisdom and creativity in the delivery of public services by opening up public sector information for value-added re-use. The OGCIO launched a pilot scheme in March this year to make available real time traffic data and geo-referenced public facilities data at the Data.One portal for free value-added re-use by the public. Quite a number of mobile applications have been developed by the public making use of these data.

Gov WiFi

11. Since the launch of the Government Wi-Fi (GovWiFi) Programme in 2007, the GovWiFi service has been well received by the public. Internet connections through the service have increased by more than three times since its full roll-out in 2009. Currently, GovWiFi service is available at around 400 Government premises, providing free Wi-Fi Internet access to the public. To meet ongoing public demand for the service, we will launch the Next Generation GovWiFi Programme in 2012 with extended coverage and enhanced services to the public.

Creative Industries

CreateHK and CreateSmart Initiative

12. CreateHK will continue its one-stop support services to the creative industries. Besides, under the \$300-million CreateSmart Initiative (CSI), financial support is available to projects conducive to the promotion of creative development. So far, CSI has received 150 applications, with funding support close to \$120 million provided to 57 projects.

Enhanced Support for the Hong Kong Design Centre

13. The Hong Kong Design Centre (HKDC) is Government's main partner in promoting the development of the local design sector and in nurturing design talent. In 2007, the Government provided \$100 million to support the operation of HKDC over five years. The funding period will expire in late June 2012. We have earmarked funds to continue to support the operation of HKDC and for HKDC to organise signature design events and a design incubation programme. We will consult the Panel in a few months' time and seek funding approval from the Finance Committee afterwards.

Hong Kong Design Year 2012

14. The year 2012 will see a number of design mega events held in Hong Kong, including international design forums, regional exchange symposia and exhibitions, and the annual highlight for the design sector:

Business of Design Week. We wish to consolidate on this foundation Hong Kong's position as Asia's creative hub. To this end, we will join hands with HKDC, Hong Kong Trade Development Council and Hong Kong Tourism Board to organise Hong Kong Design Year 2012. With co-ordination, we will promote a series of design-related events to showcase Hong Kong's strength as a regional design hub, foster the community's interest in design and celebrate design excellence.

Mega Events to Promote Creativity

15. CSI will sponsor a series of mega promotional events, including SIGGRAPH Asia 2011 which promotes our digital entertainment industry, to strengthen Hong Kong's position as Asia's creative hub. This is the first time Hong Kong wins the right to host the conference and exhibition of SIGGRAPH Asia. World-renowned research and development personnel, creators and producers engaged in computer graphics, animations and interactive technologies, as well as people from related industries, are expected to be drawn to Hong Kong to take part in the event.

16. The first ever Hong Kong Asian-pop Music Festival held this year was a great success. We will sponsor this music event again next year to promote top as well as new singers from Hong Kong, the Mainland, Taiwan and other Asian places. We will also sponsor the Hong Kong Shenzhen Bi-City Biennale of Urbanism/Architecture to promote collaboration between members of this profession in the two places and arouse wider public interest in design, architecture, and city development of Hong Kong.

Regional Exchange

17. To facilitate exchange between the local creative industries and their Mainland and Taiwan counterparts, we will provide funding support to such exchange activities. We are mooting the idea of organising an exchange camp for the comics sector of Hong Kong and Taiwan in mid-2012. We will also sponsor representatives of the local design sector to visit Taipei to attend the 2011 International Design Alliance Congress. Besides, during this year's Taipei Golden Horse Film Festival, we will organise a delegation of the local film industry to go to Taipei for exchange, seminars and business matching activities.

18. To promote Hong Kong as a knowledge hub and research platform for creative industries in the Greater China region, we have approved funding under the CSI to support a research exercise to study the creative development and the nurturing of creative talent in the region, as well as forum and workshop to facilitate cross-disciplinary dialogue and collaboration among the stakeholders of the creative industries.

Broadcasting Service

Digital Audio Broadcasting

19. In March 2011, the Chief Executive in Council granted sound broadcasting licences to Digital Broadcasting Corporation Hong Kong Limited, Metro Broadcast Corporation Limited and Phoenix U Radio Limited to provide digital audio broadcasting (DAB) services. The three licensee, along with Radio Television Hong Kong (RTHK), plan to begin DAB service in late 2011 or early 2012. The four DAB operators will provide the public with a total of 18 different channels.

Applications for Free Television Programme Service Licence

20. The Broadcasting Authority has received applications for domestic free television programme service licences from City Telecom (Hong Kong) Limited, Fantastic Television Limited and Hong Kong Television Entertainment Company Limited. The Government is assessing these three applications in accordance with the Broadcasting Ordinance (Cap 562) and established procedures. We will brief the Panel on the outcome in due course.

Mobile TV

21. The auction on the radio spectrum for provision of broadcast-type mobile TV services was successfully held in June 2010. The successful bidder was granted a unified carrier licence in August of the same year. According to the licence, the licensee is required to provide network and service coverage to at least 50% of the Hong Kong population within 18 months from the issue of the licence (i.e. in or before February 2012). We are monitoring the progress of the network rollout so that broadcast-type

mobile TV services will be made available to the viewing public in a timely manner.

Public Service Broadcasting by RTHK

22. In December 2010, the Government announced a comprehensive plan to support RTHK in its pursuit of new initiatives over the next few years as the public service broadcaster. These initiatives include the launch of DAB and digital terrestrial television broadcasting services as well as facilitating community involvement in broadcasting. RTHK is actively making preparations to take forward the various initiatives. We will brief the Panel on the progress in due course.

Construction of the New Broadcasting House

23. The Government has identified a site in Tseung Kwan O for developing the new Broadcasting House and has completed the relevant technical feasibility study. We are now going through the town planning procedures to change the land use of the site. The public consultation in relation to this issue was completed in early September 2011 with positive feedback. The next task of RTHK is to map out jointly with the Architectural Services Department the arrangements regarding the design, construction and tendering exercise of the new Broadcasting House as soon as possible.

Telecommunications Service

Communications Authority

24. In June 2011, the Legislative Council passed the enabling legislation for setting up the Communications Authority (CA). We are now actively preparing for the establishment of the CA in the second quarter of 2012. We will consult the Panel in November 2011 on the organisation and the directorate level staffing arrangement for the Office of the Communications Authority (the executive arm of the CA) before seeking approval from the Establishment Subcommittee of the Finance Committee.

4G Public Mobile Communications Services

25. We will auction the radio spectrum in the 2.3 GHz Band in early 2012 to take forward the development of 4G public mobile communications services in Hong Kong. Also, we intend to release the available radio spectrum in the 2.5/2.6 GHz Band to the market. As the Mainland also uses frequencies within the same band, co-ordination with the Mainland authorities over their use is needed. Upon conclusion of the co-ordination work, we will consult the industry on the auction and licensing arrangement for the radio spectrum in the 2.5/2.6 GHz Band in late 2011.

Fair Usage Policy

26. At present, mobile broadband network operators and some fixed broadband network operators have implemented a “Fair Usage Policy” (“FUP”) to ensure that every customer can use the services under fair and reasonable circumstances without being affected by other users and to safeguard the stability and safety of networks. Under the terms of the FUP, if a user is found to be abusing the network services, the operator may impose restrictions on the user by, for instance, limiting the transmission speed. However, the average users may not be aware of the FUP or clear about its operation. In particular, users of “unlimited internet usage” service plans may have neglected such restrictions and thus find it unreasonable for the operators to impose restrictions on them on the grounds that they have breached the FUP. Such cases have aroused the consumers’ concern.

27. The Office of the Telecommunications Authority is now consulting the industry on a set of guidelines on the FUP for regulating the broadband network operators. Upon completion of the consultation within this year, the guidelines will be implemented and we will brief the Panel accordingly.

Spectrum Utilisation Fee Charging Scheme for Administratively Assigned Spectrum

28. We have commissioned a consultant to develop a system for setting the spectrum utilisation fee for non-Government use of

administratively assigned spectrum and to give advice on implementation issues. After considering the consultant's proposal, we issued a consultation paper in November 2010 to collect views of the public and the industry on the proposed charging scheme. We also briefed the Panel on the proposal in December 2010. Having taken into account all the views collected, we have decided to implement the charging scheme as proposed.

29. In September 2011, we issued a statement to announce our decision. We will soon embark on amending the subsidiary legislation of the Telecommunications Ordinance with a view to implementing the charging scheme in the first or second quarter of 2012.

**Communications and Technology Branch
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