

For discussion on
12 January 2004

Legislative Council Panel on Information Technology and Broadcasting

Progress Update on the E-government Programme

Introduction

This paper is the fourth in the series of regular updates on Hong Kong's e-government programme. In this paper, we report on the major e-government developments over the past six months and outline future broad directions for the next wave of e-government.

2. While the provision of e-options has helped us provide a solid foundation for the further exploitation of e-government, we now need to focus on "joining up" Government departments using information and communication technologies (ICT), re-engineering Government operations and processes and making our services more customer-centric.

The Community's Accessibility to Public Services: the First Wave of E-government

3. Like most other governments, the focus in the first wave of e-government, was on making public services available electronically. In the 2001 Digital 21 Strategy, we promulgated an e-government target to provide an e-option for 90% of public services amenable to the electronic mode of service delivery by the end of 2003. We have now achieved this target by providing e-options for over 1 200 public services. Annex A contains a list of the prominent services provided with e-options since our last report in July 2003, while Annex B lists out some of the more popular and frequently used e-services amongst the 1 200. To complete the picture, we have also recently achieved our e-procurement target to carry out 80% of Government tenders through electronic means by the end of 2003. In addition, the community is getting more used to obtaining government information from the Internet. The average monthly page views of all the government websites under the Government Information Centre portal (www.info.gov.hk) increased from 86.7 million in 2002 to 155.5 million in 2003.

4. Our efforts over the past few years, have also received international and local recognition. According to Accenture's annual international survey on e-government leadership, Hong Kong's ranking has moved up steadily from tenth in 2001, to eighth in 2002 and seventh in 2003. In an international ranking¹ on the official websites of 100 cities issued in November 2003, Hong Kong came second worldwide in terms of "digital governance" as our Electronic Service Delivery (ESD) Scheme (www.esd.gov.hk) and the Government Information Centre websites scored highly, in terms of security and privacy, usability, content, and service delivery. In December 2003, the ESD Scheme was selected as a winner of the Asia Best Practice Award in the category of e-government in the World Summit Award, in terms of e-content and creativity. Providing a platform for both e-government and e-commerce services, the ESD website also meets our objective of pump-priming e-commerce development in Hong Kong. In the "4th Outstanding Information Technology and Financial Enterprise Awards" organised by the Capital Magazine in December 2003, the ESD operator was selected as the Best E-Commerce Service Provider in Hong Kong.

The Electronic Service Delivery (ESD) Scheme

5. Given these evolving directions, our flagship e-government project – the ESD Scheme – is entering a new stage. We are introducing more value-added services to the Scheme and introducing measures to improve usage.

New ESD Services

6. In August 2003, we rolled out the online appointment booking service for the territory-wide smart identity card replacement exercise on the ESD website. With a user-friendly service workflow, it accounts for over 60% of all bookings made. This popular service has also helped sell other ESD services to the community thereby, increasing overall awareness of ESD services.

7. Recently, we rolled out the online appointment booking service for applications for travel documents and extension of stay. Similar to the smart identity card appointment booking service, this will help reduce queues at Immigration Department counters, allow the public

¹ "Digital Governance in Municipalities Worldwide: An Assessment of Municipal Web Sites through the World" by the E-Governance Institute/National Center for Public Productivity and Global e-Policy e-Government Institute, 2003; available at <http://www.andromeda.rutgers.edu/~egovinst/Website/>

to select their preferred time and venue for transacting with the Government and enable Government to improve its operational efficiency through better knowledge of customers' needs.

8. To leverage on one of the world's highest mobile penetration rates, the ESD operator introduced in November 2003, a mobile telephone service for the smart identity card appointment booking, using SMS technology. This has provided greater convenience for people who are always on the move. We welcome the introduction of m-Government services and will look for further opportunities to exploit this technology.

Improving Usage

9. We have also continued with our efforts to promote usage of ESD services. One option is by introducing differential pricing. Services provided through the e-channel generally involve fewer manual processes than through traditional channels (i.e. counters), and hence the cost of e-services is usually lower. It is therefore justifiable to charge a lower fee for these e-services. In the third quarter of 2003, Information Services Department (ISD) and Census and Statistics Department (C&SD) started to pilot differential pricing by offering a 25% promotional discount for the online purchase of statistical and other government publications. The discount offer has increased the usage of their online bookstores. Recently, C&SD has further introduced a discounted price for softcopies of statistical publications, at 25% less than the equivalent hardcopies. We will seek to extend differential pricing to other services, as appropriate.

Joined-up and Government-wide Initiatives

10. To better serve the public, we need to look beyond simply putting public services online. We need to cut across departmental boundaries to provide customer-centric services in a one-stop and joined-up manner. The following paragraphs report on progress on a number of initiatives since the last Report.

Multi-application Smart Identity Card

11. A number of public services are offered through the single interface of the smart identity card. The Immigration Department commenced the population-wide smart identity card replacement exercise in August 2003 and has issued more than 411 000 smart identity cards to-date. Over 86 000 e-Certs have already been embedded onto the smart

identity cards. In addition, the smart identity card can also serve as a library card and citizens will be able to use it for automated immigration clearance from late 2004 and as a driving licence from about 2006. We have also reserved capacity in the chip of the smart identity card for an e-purse function. Efforts are also underway to explore the possible inclusion of other applications.

Common Look and Feel

12. In March 2003, we introduced a Common Look and Feel (CLF) website design initiative to all bureaux and departments. So far, over 50 government websites have been revamped with CLF. By providing a more consistent navigation experience to surfers, we aim to enhance our on-line brand image and improve the accessibility of information to the public.

13. To obtain feedback from the public on the CLF web site design, we commissioned AC Nielsen to conduct an opinion survey between November and December 2003. Initial analysis of the findings indicates that over 90% of respondents ranked the CLF design positively. We will report on the detailed findings in our next progress report.

Property Information Hub

14. We are also developing a Property Information Hub to provide one-stop access to property information held by various Government agencies. The Hub will enable users to access property-related information held by the Rating and Valuation Department, Land Registry, Lands Department and Buildings Department on one site, electronically. The information provided will also enable the private sector to introduce value-added information or services concerning the property market. To ensure that we deliver what our customers need, Government invited interested parties to participate in a customer survey in late 2003. Views were sought on service bundling, search method, charging and other related matters. With customers' input and the combined efforts of various departments, we expect to roll out the first phase of this customer-centric Hub in 2005.

Government-to-Government (G2G) and Government-to-Employee (G2E) Services

15. To take e-government forward, it is necessary to create an e-enabled environment within the civil service. We are therefore pursuing a number of G2G and G2E services. Among them, the Integrated Criminal Justice System (ICJS) is a large-scale joined-up G2G project which will greatly improve operational efficiency through improved intra- and inter-agency co-operation and information sharing.

16. A feasibility study conducted by the Efficiency Unit has identified eight high impact areas in the criminal justice process for business process re-engineering (BPR). We are now conducting an in-depth study on three selected areas. We expect to complete the study in the middle of this year and will consult the relevant panel(s) of the Legislative Council once we have established the business case and mapped out a way forward.

17. We are introducing a number of G2E services. We have rolled out the first phase of “e-Payslip” in September 2003. Currently, over 28 000 employees are receiving an e-Payslip, instead of the paper payslip via their office email accounts. All other employees will be given the option to receive the e-Payslip through their office email accounts or home email accounts in February 2004.

18. When the roll-out of “e-Leave” is completed in September 2004, leave applications will be submitted, processed, calculated and recorded electronically. We will also roll-out a series of “e-Payroll” services from April 2004 to end 2006. Through these services, employees will be able to conduct payroll related enquiries and transactions with the Treasury electronically on a self-service basis.

Gaining Operational Efficiency: Business Process Re-engineering with E-government

19. To ensure that Government takes full advantage of e-government to improve operational efficiency and quality of service delivery, all bureaux and departments are required to explore BPR opportunities when implementing computerisation projects. Examination of these BPR opportunities can result in lower implementation costs and generate greater benefits/savings for Government. For example, the BPR study associated with Labour Department’s Processing of Employees’

Compensation Cases has identified opportunities to streamline business processes and enhance data sharing. This will create some \$2 million realisable annual staff savings and another \$2 million in notional fragmented staff savings.

20. Another example is the Leisure and Cultural Services Department's tree inventory system to better manage the maintenance records of 660 000 trees all over the territory. The relevant BPR study has suggested delayering of staff involved with tree maintenance work and other measures to improve productivity. As a result, the project cost will be reduced by over \$1 million. With the reduced need for temporary clerical staff and amenities assistants, there is also realisable recurrent savings of some \$6 million. Moreover, another \$6 million notional staff savings will be generated each year.

Creating Value for Customers: the Next Wave of E-government

21. As we briefed Members in December 2003, we estimate that in 2004-05, capital funding of \$540 million will be required to fund 286 e-government projects costing below \$10 million each. In addition and as in previous years, the Finance Committee of the Legislative Council will be asked to approve funding for major projects costing over \$10 million each. With the attainment of the overall e-government target and the solid foundation laid by the first wave of e-government, we now need to maximize the cost-effectiveness of these IT investments and create value for both the public and the Government in the next wave. For our external customers – citizens and businesses – they should be able to enjoy more customer-oriented, integrated and transparent public services, with faster processing time, fewer errors and greater convenience. For our internal customers – bureaux and departments – they should be better equipped to enhance service quality, meet the needs of citizens and businesses, improve their operational efficiency and productivity and reduce processing costs.

Ensuring Customer Engagement and Utilisation

22. Building on the availability of e-options and ensuring more effective use of resources, we need to make sure that these e-services are well-utilised. When we last reported progress to this panel in July 2003, Members expressed the same concern.

23. Engaging customers is the key to ensuring utilisation. Many departments have already been gauging customer's comments and feedback in the different developmental stages of their e-government projects. To facilitate and encourage more departments to engage customers, we will set out clear CRM policies and guidelines for all projects involving a customer interface, and link them with IT project funding conditions. We will also introduce measures to obtain more customer feedback in project implementation and in monitoring service utilisation. We will also seek to identify specific services for targeted improvement of utilisation of e-services. Clearly, both customers and departments will gain from the delivery of better public services that satisfy people's needs and not only, those of the Government.

24. With the provision of some 1 200 e-services, it is a challenge to ensure that these e-services are easily accessible to the public. We intend to improve the accessibility features of our e-services through some central initiatives. These will include, for example, an improved CLF website design and a more powerful search engine for Government websites. By deploying the appropriate authentication mode (commensurate with the risk level of the service), we can strike a better balance between user-friendliness and authentication of e-services. We therefore intend to develop guidelines on authentication modes, based on the risk level associated with individual services. As for e-procurement, we plan to introduce arrangements to encourage adoption by suppliers, including SMEs.

25. To enable departments to more effectively deploy their resources to serve their customers using different service delivery channels, we will explore the feasibility of establishing a channel management strategy framework for use by departments. By adopting proper channel management, departments will be able to, based on a better understanding of customers' needs in different channels, deliver more tailor-made services to customers and drive their customers to the most efficient and cost-effective channel. In many cases, this may well be the online channel. We intend to pilot channel management in a few selected areas before devising a comprehensive strategy and action plan.

Rolling out Value-Added Services through ESD

26. To create better value for the business community, we will pull together the efforts of different agencies to provide more comprehensive and business-oriented services through the ESD website. In a few weeks, we will launch the Business Entry Portal. This will provide one-stop

access to business information from over 100 websites currently maintained by over 80 government departments, public bodies and trade associations. Businesses can search for the information they need according to their business cycle – from starting a business, obtaining finance, expanding a business, to managing a business. There will also be value-added services, such as business news and a directory service. In addition, there will be opportunities for adding private sector-provided business information (such as bank loans) into the portal. We hope that the introduction of this portal will better serve the business community, especially the small and medium enterprises (SMEs), with more customer-centric and joined-up services.

27. Later this year, the online property stamping service will also be available through ESD. The submission of stamping applications to the Inland Revenue Department (IRD), settlement of stamp duty and obtaining a stamp certificate in respect of property transfers and leases can all be done electronically through the ESD website, round-the-clock and instantaneously. There will no longer be a need to visit the Stamp Office to submit documents. For property transfers, the normal turnaround time of six working days will be shortened to just a few minutes. IRD is also liaising with Lands Registry to streamline the process of stamping and registration of property transactions documents. These initiatives will help simplify the property transaction process and make interaction between Government and property owners much easier.

Reviewing the ESD Scheme

28. With the ESD Scheme entering a new phase of providing more value-added, joined-up, business-oriented services and introducing incentives to improve usage, it is an opportune time for us to review the Scheme. We will review ESD's performance with respect to its stated objectives of improving the quality and efficiency in the delivery of public services; improving accessibility and widening the reach of public services; and pump-priming the development of e-commerce in Hong Kong. We will report the results of the review to the panel.

Establishing Appropriate Institutional Arrangements

29. To achieve our vision of creating value to the public through e-government in the next developmental wave, we need to look beyond purely ICT, and take a broader view of how e-government could help improve service delivery and operational efficiency. We will consider these issues in the context of the organisational review of ITSD and the

Communications and Technology Branch of CITB and consider whether there should be a Chief Information Officer (CIO) function, either in a person or an institution, within the Government whose responsibilities may go wider than what is understood in the corporate world².

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Communications and Technology Branch
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² A number of leading e-government countries, like Canada, the US and the UK, have a powerful CIO role at the centre of government. The CIO function is characterized by strong leadership over the business direction of other government agencies and ample technical expertise, sometimes coupled with professional knowledge from the private sector. Such a CIO function has enabled the government to better manage information for the benefit for the community, to effectively perform its cross-agency leadership role and to take a whole-of-government approach in driving e-government.

**List of Prominent Services provided with e-Option
since the last Progress Update of July 2003**

Services
Appointment booking service for Hong Kong smart identity card replacement exercise
Application for trade marks registration
Application for redemption of tax reserve certificate
Application for TeleTax
Application for assessment for using fitness equipment
Pre-arrival notification for river trade vessels
Application for renewal of local craft licences
Sitting of written driving test
Appointment booking service for Immigration Branch Offices (including application for travel documents and extension of stay)
Search for films classified by the Film Censorship Authority
Job-matching for trainees under the Youth Work Experience and Training Scheme
Employment services for employers and disabled job-seekers
Application and enquiry of SME Funding Schemes
Subscription of volunteer movement news

List of Prominent Services provided with e-Option

Services
Booking for sports facilities and leisure activities
Appointment booking for giving of marriage notice
Search and register for job vacancies
Appointment booking service for Hong Kong smart identity card replacement exercise
Appointment booking service for Immigration Branch Offices (including application for travel documents and extension of stay)
Application for government jobs
Voter registration
Search, renewal and reservation of library materials
Purchase tickets of cultural and entertainment events
Volunteer registration
Filing of tax return
Interactive enquiry of status of tax return, assessment and payment
Purchase and redemption of tax reserve certificate
Payment of tax bills, rates/government rents, water charges and other government bills
Payment of fixed penalty tickets of traffic and public cleanliness offences
Application for renewal of driving and vehicle licence
Live webcast of road traffic condition
Vehicle examination appointment booking
Registration for public examination

Services
Purchase of public examination publications
Purchase of Government publications and census and statistical data
One-stop change of address for 12 government departments
Report of lost property
File telephone nuisance complaints with the Police
File complaints of noise in neighbourhood with the Police
Online news bulletin
Search for bilingual laws information
Access to weather information
Access to air pollution index
Search for tourist information
Search for trade mark details
Search for cases of bankruptcy and compulsory winding-up of companies
Retrieval of private building plans
One-stop search for business licence information
Application and enquiry of SME Funding Schemes
Lodgment of textiles notifications by carriers and traders
Submission of import and export statements on dutiable commodities
Submission of manifests for import/export cargo by rail, air and ocean/river