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Report of the Panel on Information Technology and Broadcasting for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Information Technology and Broadcasting ("the Panel") during the 2023 Legislative Council ("LegCo") session. It will be tabled at the LegCo meeting on 13 December 2023 in accordance with Rule 77(14) of the Rules of Procedure of LegCo.

The Panel

- 2. The Panel was formed by a resolution passed by LegCo on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007, 2 July 2008 and 26 October 2022 for the purpose of monitoring and examining Government policies and issues of public concern relating to information technology ("IT"), telecommunications, broadcasting, film services and creative industry. The terms of reference of the Panel are set out in **Appendix 1**.
- 3. For the 2023 session, the Panel comprised 17 members, with Dr Hon Junius HO Kwan-yiu and Hon Duncan CHIU elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix 2**.

Major work

INNOVATION AND TECHNOLOGY

Hong Kong Innovation and Technology Development Blueprint

Promoting the development of digital economy

4. The Government promulgated the Hong Kong Innovation and Technology Development Blueprint ("the I&T Blueprint") in December 2022, setting out four broad development directions including "to enhance the innovation and technology ("I&T") ecosystem and promote 'new

industrialization' in Hong Kong", "to enlarge the I&T talent pool to create strong impetus for growth", "to promote digital economy development and develop Hong Kong into a smart city", and "to proactively integrate into the overall development of the country and consolidate Hong Kong's role as a bridge connecting the Mainland and the world". The Panel discussed with the Administration the contents of the I&T Blueprint at the meeting on 13 February 2023.

5. Members were of the view that the Administration should take up the responsibility of developing the digital infrastructure. There were also comments that given the considerable scale of the relevant infrastructure, the cost would be a huge burden on the public coffer if it was fully funded by the Administration, and so it might be necessary for the Administration to consider encouraging the private sector to participate in developing the infrastructure. The Administration advised that it was expediting the development of I&T-related infrastructure projects. In the light of the latest planning and market development of Hong Kong and Shenzhen, the Administration was working with the Hong Kong-Shenzhen Innovation and Technology Park ("HSITP") Limited to explore ways to expedite the development of HSITP. Renowned local, Mainland and overseas I&T enterprises as well as research and development ("R&D") institutions or universities were engaged in developing facilities, with a view to enabling HSITP to achieve the optimal effectiveness.

Promoting "new industrialization"

- 6. Members noted that in line with the I&T Blueprint promulgated by the Administration, Hong Kong should take forward the development of "new industrialization", such as formulating an industry policy that suited its development needs, and supporting the development of technology industries with an edge and strategic significance. Meanwhile, efforts should be made to assist the traditional manufacturing sector in Hong Kong to upgrade and transform with the use of I&T to achieve smart production.
- 7. Regarding the development of technology-based industries with an edge and strategic significance, as well as the initiative to assist traditional industries to upgrade and restructure, members suggested that the Administration should coordinate resources and policies to support the development of new industries. A comprehensive review of various traditional industries should also be conducted to facilitate the upgrading and restructuring of traditional industries by formulating appropriate strategies and allocating resources, with a view to attracting the relevant industries to relocate their high-end production lines back to Hong Kong.

- 8. According to the Administration, an array of policies and measures had been introduced to support the development of technology-based industries with an edge and strategic significance, such as the launching of the Co-Investment Fund, the Strategic Tech Fund and the Greater Bay Area Investment Fund. At the same time, the existing policy on manpower and industrial resources had been enhanced to attract more overseas enterprises and talent to settle in Hong Kong to boost the development of new industries. In addition, support was provided to traditional enterprises to set up new smart production lines in Hong Kong through the New-industrialization Funding Scheme. The "Research Talent Hub" scheme was also set up to encourage university graduates to join the I&T industry and to nurture more I&T talent.
- 9. The Administration further advised that in order to promote "new industrialization", a Commissioner for Industry would be recruited to coordinate and steer the implementation of strategies relevant to "new industrialization". The Administration also planned to construct the second Advanced Manufacturing Centre and assist enterprises in optimizing their production technologies.

Nurturing innovation and technology talent

- 10. Members exchanged views with the Administration on strategies in relation to nurturing high and mid-end I&T talent as well as general technical staff. The Administration advised that in order to nurture I&T talent in Hong Kong, it would promote I&T-related education at different learning stages. A series of measures would also be rolled out to attract top-notch Mainland and overseas I&T talent to Hong Kong, as well as retain I&T talent. The number of undergraduate and postgraduate places in STEAM subjects in universities would be increased, and efforts would be made to promote STEAM education in primary and secondary schools. Meanwhile, the Administration had plans to bring in top-notch enterprises, thereby attracting talent from various fields to come to Hong Kong for development.
- 11. Members enquired about the Administration's measures to make it more convenient for I&T talent to commute between the Mainland and Hong Kong. The Administration informed members that it had launched the "Talents Service Unit" ("TSU") online platform for providing one-stop e-services to recruit Mainland and overseas talent. Work was underway to prepare for TSU a physical office tasked to formulate talent recruitment strategies and generate publicity, and to provide more support services for arriving talent.

Promoting popular science education

12. Expressing concern that the initiatives to facilitate I&T development, to promote popular science education and to oversee the policies on talent nurturing

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were currently under the purview of three separate policy bureaux, members considered that the Administration should strengthen coordination and cooperation among relevant bureaux and executive departments to start promoting popular science education at the primary level, with a view to nurturing young I&T talent when they were at an early age. The Administration recognized the importance of popular science education, and hence a special emphasis was placed on enhancing popular science education in the I&T Blueprint. The Innovation, Technology and Industry Bureau would continue to closely liaise with relevant policy bureaux to promote the nurturing of local I&T talent.

e-Government services and the "iAM Smart" government services platform

Full implementation of the "iAM Smart" initiative

- 13. The Panel discussed the proposed upgrade of "iAM Smart" to realize "single portal for online government services" at the meeting on 20 March 2023.¹ Members noted that the Administration planned to fully adopt "iAM Smart" by the end of 2025 to provide one-stop public services. A "Consented Data Exchange Gateway" ("CDEG") was being developed to enable members of the public to opt for authorizing the sharing of their personal data among relevant government departments by means of data interchange through the systems, so as to achieve the goal of "single portal for online government services". This, in turn, would streamline the process of using government services while enhancing the exchange of data among government departments.
- 14. On the development of CDEG, members expressed concerns about how the authorities would ensure the protection of the public's privacy. Questions were raised as to whether the Administration would put in place a unified mechanism for members of the public to choose whether or not to allow for interchange and sharing of their personal data among government departments. The Administration advised that it would consult the Privacy Commissioner for Personal Data to ensure that the handling of personal data complied with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486). Independent risk assessments and privacy impact assessments in connection with CDEG would be conducted on a regular basis.
- 15. Some members asked whether the Administration would charge enterprises for their adopting the "iAM Smart" platform. The Administration responded that in order to encourage greater adoption of the "iAM Smart" platform by private organizations, there were no plans for the imposition of charges in the first three

The relevant funding proposal (<u>FC(2023-24)12</u>) was approved by the Finance Committee on 12 May 2023.

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years after its launch, and a subsequent review would be conducted to assess the need for charging a fee.

Increasing the utilization rate of "iAM Smart"

16. Expressing concern about the unsatisfactory utilization rate of "iAM Smart", members suggested that the Administration should optimize the services, streamline the registration process, and formulate targeted promotional strategies with reference to information such as the age distribution and educational level of users, and the trend of user registrations at various self-registration kiosks. The Administration remarked that the utilization rate of "iAM Smart" was steadily on the rise, and it appeared that the utilization rate was not as high as expected because certain online services such as renewal of vehicle licence were not frequently used by the public. Nevertheless, the Administration would enhance its promotional activities, increase significantly the number of self-registration kiosks and collaborate with district bodies and organizations to strengthen the promotion of "iAM Smart" to different age groups and communities.

Enhancing e-Government services

17. Insofar as enhancing e-Government services was concerned, the Administration informed members that it would integrate the e-Government services that were more commonly used and simplify the access procedures. A "one-tap login" function would be provided and data exchange among government services would be strengthened to allow the public to directly access commonly used government services via "iAM Smart", as well as to make it more convenient for users to browse or submit personal information. The Administration advised that it would consider members' suggestion of including "user satisfaction level" as one of the indicators for measuring the effectiveness of "iAM Smart". Members further suggested that the Administration should add more personalized services to the "iAM Smart" platform, such as a repository function; improve search functions with an easy-to-use interface design; and allow the public to access useful information such as travel and government announcements via "iAM Smart".

Cross-boundary e-Government services

18. Members asked how the e-Government initiatives in Hong Kong would dovetail with the relevant development in the Mainland, such as whether the Administration would allow data exchange in the digital infrastructure of Guangdong and Hong Kong through CDEG. The Administration said that it was working with the relevant government departments of Guangdong Province to jointly explore the use of "iAM Smart" as a means of real-name identity authentication for Hong Kong residents to register for the account on the "Unified

Identity Authentication Platform of Guangdong Province" so as to connect with the government services of Guangdong Province. The governments of Guangdong and Hong Kong were conducting tests on, among others, the interface between the digital infrastructure of the two sides, and expected to launch the relevant services as soon as possible. Members suggested that the Administration should upgrade the functions of "iAM Smart", such that Mainland residents would be able to perform identity authentication via the platform for accessing the government services in Hong Kong.

Cyberport

19. As the flagship for Hong Kong's information and communications technology ("ICT") industry, Cyberport was mainly responsible for providing start-ups with financial and professional support, inspiring and motivating young people to pursue a career in the I&T industry, and creating business opportunities to foster the development of ICT in Hong Kong. At the meeting on 8 May 2023, the Panel had exchanged views with the Administration on Cyberport's work in spearheading and supporting the I&T development in Hong Kong.

Cyberport's positioning and role

20. Expressing concern about the effective use of resources among the various I&T-related institutions in Hong Kong, members enquired whether the Administration would consider consolidating the relevant institutions. The Administration explained that the I&T-related institutions had different roles and functions to fulfil. While the work of the Hong Kong Science and Technology Parks Corporation focused on supporting deep technology research, the efforts of Cyberport were concentrated on the development of financial technology ("Fintech"), smart living, digital entertainment etc., with an emphasis on the application of technologies. As far as Fintech was concerned, Cyberport played a "pioneering" role in proactively driving the development of related industries, whereas other I&T-related institutions played a complementary role in the technology aspect.

Incubation Programme for Smart Living Start-ups

21. On Cyberport's means to support enterprises and attract top-notch enterprises in the I&T sector to establish a presence in Hong Kong, members were informed that incubatees under the Cyberport Incubation Programme ("CIP") might be provided with rent-free accommodation, and that the Administration proposed to allocate funding to Cyberport for the implementation of the Incubation Programme for Smart Living Start-ups ("the Incubation Programme"). Indicating support for the funding proposal, members enquired about the difference between the Incubation Programme and the existing CIP. The

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Administration explained that the Incubation Programme put an emphasis on supporting the development of smart living technologies by start-ups, enabling the public to experience first-hand the convenience that technology would bring to their daily lives.

- 22. Members were of the view that the Administration should, apart from assisting enterprises in implementing testing of smart living solutions at the community level to enhance their usefulness, help enterprises explore overseas markets. In assessing applications, Cyberport might consider whether the smart living solutions in question were applicable to both Hong Kong and overseas places.
- 23. Given that environmental protection, social responsibility and corporate governance were the investment concepts and corporate evaluation criteria of significant concern, members took the view that Cyberport, in nurturing enterprises, should adopt these concepts as one of the important factors. The Administration remarked that in the future, Cyberport would consider enhancing training for enterprises in relation to environmental protection, social responsibility and corporate governance.

Digital Transformation Support Pilot Programme

- 24. Members supported the allocation of funding to Cyberport for the implementation of the Digital Transformation Support Pilot Programme ("the Pilot Programme"), under which subsidies were to be provided on a one-to-one matching basis to assist the small and medium enterprises ("SMEs") in purchasing and applying ready-to-use basic digital solutions.²
- 25. Some members requested the Administration to consider setting the matching ratio at 1:3 instead. Some other members raised enquiries on the reasons for entrusting Cyberport with the implementation of the Pilot Programme, and the operational difference between the Pilot Programme and other SME support programmes and platforms. In response, the Administration said that a matching ratio of 1:1 would facilitate the provision of support to more SMEs. Referring to the proposal to entrust Cyberport with the implementation of the Pilot Programme, the Administration said that Cyberport's extensive experience in nurturing start-ups had made it well placed to effectively administer the Pilot Programme. Operationally, it was Cyberport's intention that digital technology solutions falling within the designated categories and meeting the specified requirements would be listed on the dedicated website for selection by SMEs.

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The relevant funding proposal (<u>FC(2023-24)49</u>) was approved by the Finance Committee on 14 July 2023.

- 26. Given that the Pilot Programme was only applicable to the food and beverage industry and the retail sector, members suggested that the Administration should extend its coverage to other industries in the future. Members also pointed out that the digital technology solutions under the Pilot Programme merely covered those in the areas of online promotion, point of sale and payment systems, and customer management and discount systems. They commented that the scope of the Pilot Programme was not comprehensive enough as most SMEs had already adopted such solutions.
- 27. The Administration explained that the coverage of the Pilot Programme was determined having regard to the views of the Digital Economy Development Committee and the industry, as well as the extent of digital transformation of different industries and their relevance to people's livelihood. The objective was to provide targeted assistance to SMEs, thereby accelerating the future pace of digital transformation. The Administration would review the effectiveness of the Pilot Programme prior to mapping out plans for the way forward.
- Members commented that when providing digital technology solutions to 28. SMEs under the Pilot Programme, the authorities should give priority to recommending locally researched and developed solutions for selection by SMEs. Some members asked how the Administration would prevent the practice of collusive price fixing among solution providers while at the same time guarding against the misuse of subsidies by enterprises. The Administration explained that there was fierce competition due to the large number of solution providers and the prices could be adjusted by the market mechanism. In addition, Cyberport would consult the Competition Commission on the detailed arrangements of the Pilot Programme, and there would be requirements for digital technology solutions to comply with relevant terms before they could be listed on the dedicated website. The goal was to thwart any collusive price fixing practices. On ways to prevent the misuse of subsidies by enterprises, Cyberport said that it would examine whether the applicant enterprises were in actual operation and would directly disburse the subsidies to the solution providers in instalments. The subsidized enterprises were required to provide Cyberport with documentary proof and confirmation of receipt of the solution, as well as to submit a final report to Cyberport 12 months after the subsidies were granted.

Cyberport's role in nurturing innovation and technology talent

29. Members were informed that one of Cyberport's public missions was to nurture talent for the local ICT industry. Cyberport, in collaboration with the Home and Youth Affairs Bureau ("HYAB"), had launched the Youth Start-up Internship Programme, under which students were provided with internship opportunities in Cyberport start-ups. Members opined that insofar as the various talent cultivation and internship programmes were concerned, the Administration

should keep track of information such as the overall expenditure, the number of participants and the follow-up arrangements upon completion of the programmes, which would facilitate the work of reviewing the effectiveness of the relevant programmes. Members were also of the view that the Administration should put in place new measures to promote students' interest in I&T.

30. Members asked whether the Administration would conduct talent recruitment and training programmes in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"). Members were informed that on top of having established a collaboration agreement with Qianhai, Cyberport had entered into agreements with local institutions for extending some collaborative training work in Hong Kong to their GBA campuses.

Overseas/Mainland Market Development Support Scheme

31. At the meeting on 8 May 2023, the Panel discussed Cyberport's work in conducting market promotion activities in overseas places and the Mainland. Members noted that beneficiary start-ups under the Overseas/Mainland Market Development Support Scheme might participate in trade fairs and explore markets in places such as Thailand, Indonesia, Japan and Northern Europe. Cyberport would conduct market promotion activities having regard to market developments, for example, leading delegations to help start-ups explore overseas markets. Members suggested that the authorities should draw up performance indicators to assess the effectiveness of the activities. Some other members also suggested that information on the effectiveness of the activities, such as the number of participants and the number of participating institutions, should be provided when Cyberport reported its work progress update in the future.

Digital entertainment and e-sports development

- 32. Members exchanged views with the Administration and Cyberport on the development of Web3 and the digital entertainment industry. The Administration informed members that Cyberport was ramping up its efforts in developing the Web3 ecosystem. In addition to the establishment of Web3 Hub@Cyberport to provide opportunities for exchanges and collaboration between local and international Web3 enterprises, proactive efforts were made to attract Web3 talent and enterprises from the Mainland and overseas to settle in Cyberport.
- 33. Members expressed concern about how Cyberport would facilitate the professionalization of e-sports, nurture e-sports talent and support the industry development in the future. The Administration advised that resources would be allocated by Cyberport to promote the development of technologies such as metaverse platforms and services, Web3, game-related big data analysis, e-sports equipment and peripheral R&D. In addition, Cyberport had provided support for

multiple competitions and events and had successfully matched numerous internship positions through the E-Sports Industry Facilitation Scheme. To nurture talent for the industry, Cyberport had worked with education institutions to offer higher diploma and degree programmes related to e-sports.

Cyberport's financial position and management issues

- 34. Members expressed concern over the operating loss of the Cyberport Companies for 2021-2022. The Administration explained that the losses incurred by Cyberport in the past few years were due to the suspension of multiple events and closure of the hotel for renovation during the Coronavirus Disease 2019 epidemic. With the reopening of the hotel in late 2022 and the gradual resumption of economic activities, it was believed that there would be improvements to Cyberport's financial position.
- 35. In view of the under-utilization of some of Cyberport's common facilities, members asked how the Administration would improve Cyberport's patronage. In response, the Administration and Cyberport remarked that Cyberport had organized different activities, such as workshops and free film screenings, and diverse design approaches were adopted by its catering facilities. To increase patronage, part of the public spaces in Cyberport had been designated as petfriendly facilities, attracting members of the public to take their pets for a walk in Cyberport.

Digital inclusion

36. At the meeting held on 10 July 2023, the Administration updated the Panel on the progress of its work on digital inclusion initiatives.

Promoting the use of the Internet and digital technologies among elderly people

- 37. Members commented that with an ageing population in Hong Kong, the Administration should be more proactive in promoting the use of the Internet and digital technologies among elderly people to improve their living. A more aggressive target should be set in respect of boosting the Internet usage rate among the elderly. Members suggested that the Administration should keep abreast of the elderly people's ability in using digital technologies.
- 38. The Administration advised that through the initiatives of organizing additional district activities, increasing the number of mobile outreach service stations, strengthening cooperation with the District Services and Community Care Teams ("the Care Teams") and industry organizations to provide better support for the elderly, optimizing the training programmes, etc., elderly people would be assisted to make good use of digital technologies. The Administration

added that the Census and Statistics Department would explore adding an item about the elderly's ability to master the use of digital technologies to relevant surveys. Members suggested conducting analyses on the utilization rates of "iAM Smart" and other online service platforms, which would serve as a reference for examining the adoption of digital technologies among the elderly.

Information and Communications Technology Outreach Programme for the Elderly

39. Members were informed that since 2014, the Administration had launched several rounds of the ICT Outreach Programme for the Elderly ("the Outreach Programme"). Under this initiative, not-for-profit elderly services organizations were commissioned to visit the elders in the territory to encourage them to make greater use of digital technologies. Members had discussions on the features of the Outreach Programme, the roles and service scopes of various implementing organizations, and the specific activities under the Outreach Programme in the next two years. Members suggested that the Administration should integrate contents on cybersecurity and anti-deception into the mobile outreach service activities. The Administration responded that the Hong Kong Police Force and the Hong Kong Computer Emergency Response Team Coordination Centre would join hands to raise the awareness among the elderly about cyber fraud prevention, and at the same time, incorporate the relevant elements into the public education materials.

Technology training programmes for the elderly

- 40. Members suggested that the Administration should engage the Care Teams, among others, to assist the elderly in learning how to use digital technologies to enhance their quality of life. Contents such as digital entertainment and commonly used Mainland mobile applications ("apps") should be included in the technology training programmes for the elderly. Additionally, the elderly people should be encouraged to pursue self-directed learning of digital technologies. In particular, members expressed concern about how hidden elderly people who were not users of the regular services of social welfare agencies, or elders with dementia or other special needs, could access outreach activities and training programmes.
- 41. The Administration advised that apart from launching the "Elderly IT Learning Portal", a web-based learning portal, relevant training courses were provided through elder academies. The Administration would step up efforts to promote the use of gerontechnology at the district level and would actively expand the service network in collaboration with the Care Teams, while negotiating with training providers to offer different training programmes to meet the needs of elderly people.

The Social Innovation and Entrepreneurship Development Fund

- 42. Members were informed that with the establishment of the Social Innovation and Entrepreneurship Development Fund ("the SIE Fund"), the Administration sought to alleviate poverty and social exclusion by promoting social innovation and nurturing social entrepreneurship. The projects funded under the SIE Fund involved promotion of digital inclusion or use of digital technologies for service enhancement.
- 43. Members exchanged views with the Administration on the operational details of the SIE Fund. Members raised concerns about how the Administration would determine the funding amount for different projects, and the means to prevent those organizations which had been granted funding under other funding schemes from submitting duplicate applications to the SIE Fund for the same project. The Administration explained that when considering the projects to which funding would be granted, the assessment criteria were mainly based on factors such as whether the project would meet the objectives of the SIE Fund, the size of the organizations and whether the organizations had the experience of organizing similar activities. The amount of funding would be decided on the basis of the scale of the activities and the estimated number of beneficiaries. At the same time, the Administration would examine whether the organizations had received alternative financial support from the Government for the same project.

Web accessibility

- 44. Members were aware that all government websites were in compliance with the requirements of web accessibility to facilitate utilization among persons with disabilities. Besides, all government mobile apps had conformed to the "Baseline Accessibility Criteria for Government Mobile App".
- 45. Members commented that the Administration should require subvented organizations and public service organizations to comply with the web accessibility requirements. The Administration advised that in order to promote the adoption of web accessibility design by public and private organizations through a multi-pronged approach, it would collaborate with the Hong Kong Internet Registration Corporation Limited to co-organize the Web Accessibility Recognition Scheme on a regular basis. Free assessment and advisory services would be provided to participating organizations.

COMMUNICATIONS AND BROADCASTING

The development of the fifth generation mobile communications in Hong Kong

46. At the meeting on 20 March 2023, the Panel discussed with the Administration the latest development of the fifth generation mobile communications ("5G") in Hong Kong, and the updated progress with respect to the Government's proposal to strengthen 5G infrastructure by amending the Telecommunications Ordinance (Cap. 106) and relevant guidelines.

Encouraging wider application of 5G technology

- 47. While the current 5G network coverage in Hong Kong had already exceeded 90% of the local population, members expected the extension of 5G services to cover the entire territory as soon as possible. Members asked the Administration when it expected 5G network coverage would be extended to all parts of the territory following the amendments to Cap. 106 and relevant guidelines.
- 48. The Administration advised that it would promote the development of 5G on various fronts, which included, among others, supplying spectrum in high, mid and low frequency bands; and opening up suitable government premises for base station installations, with a view to meeting the future demand of the telecommunications market. Aside from securing new spectrum, mobile network operators ("MNOs") would have the flexibility to re-farm some of their existing spectrum originally intended for 2G/3G/4G services to provide 5G services. The Administration added that the amendments to Cap. 106 and relevant guidelines would ensure that appropriate space be made available in new buildings for the installation of mobile communications facilities, thereby facilitating the further expansion of 5G network coverage.

Extending fibre-based networks to villages in remote areas

49. Members enquired about the Administration's plan to improve the 5G mobile communications service coverage in some remote areas and old districts. The Administration advised that with the launch of the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas, financial incentives would be provided to encourage telecommunications operators to extend their fibre-based networks to a total of 235 villages in remote areas. Subsidized fixed network operators were taking forward the network extension works in an orderly manner. As regards a certain number of old buildings in the urban areas currently without access to fibre-based networks, the Office of the Communications Authority ("OFCA") would assist residents in need to follow up with the operators.

Facilitating the installation of radio base stations by mobile network operators

- 50. Referring to the initiative to assist MNOs in installing radio base stations ("RBSs"), members noted that the Administration had opened up about 1 500 suitable government premises and streamlined the approval procedure to enable MNOs to install RBSs there at a nominal rent of \$1 per year. Members suggested that the Administration should provide related supporting facilities in such venues, such as making available electrical power connection, so as to reduce the operators' costs. The Administration advised that relevant bureaux/departments would further collaborate to refine the arrangements for the provision of premises for installing RBSs and ancillary facilities.
- 51. Members requested the Administration to consider enhancing the efficiency of street lights to facilitate the installation of RBSs by MNOs, with a view to promoting the development of smart city (including autonomous technology). The Administration advised that with the launch of the Multifunctional Smart Lampposts pilot scheme by the Office of the Government Chief Information Officer, MNOs might install small cells in such smart lampposts; those lampposts were designed to make available space and loading capacity for the installation of 5G RBSs by MNOs. Given that ordinary street lighting systems were mainly used for illumination purpose, their design and loading capacity might not be optimal for the installation of RBSs. A mechanism had been established to facilitate MNOs' applications for the installation of 5G RBSs at sheltered bus stops and public payphone kiosks.

Arrangements for the frequency spectrum in the 850/900 MHz and 2.3 GHz bands upon expiry of the existing assignments for public mobile telecommunications services and the spectrum utilization fee

52. The Administration briefed the Panel on the arrangements for the frequency spectrum in the 850/900 MHz and 2.3 GHz bands upon expiry of the existing assignments for public mobile telecommunications services and the spectrum utilization fee ("SUF") on 3 April 2023. Members indicated support for the arrangements for re-assigning the spectrum in the aforementioned frequency bands and the related SUF.

Spectrum assignment term and the auctioning arrangements

53. Members were aware that spectrum assignments were normally valid for a term of 15 years, and that upon expiry of the 15-year term, the spectrum concerned was generally re-assigned by the Communications Authority ("CA"). Given the substantial costs for MNOs to develop the 5G infrastructure, members enquired whether a 15-year re-assignment term would be significant enough to attract investments in 5G projects by MNOs. Questions were also raised as to whether

customer service would be affected if MNOs were not granted renewal of their spectrum assignments upon expiry, and how those base stations already established would be dealt with.

- 54. The Administration advised that given the high cost of 5G infrastructure, a longer spectrum assignment term would reinforce MNOs' investment confidence. To encourage telecommunications network operators to continue investing in telecommunications infrastructure and spectrum resources, it was proposed in the 2023-2024 Budget that tax deduction be provided for SUF.
- 55. Members asked the Administration whether a cap would be imposed on the number of MNOs participating in the spectrum auction, and whether Mainland MNOs could participate in the auction. The Administration said that subject to the fulfilment of minimal technical and financial eligibility requirements, all interested parties (including existing MNOs and new network operators) might apply for participation in the auction. Where necessary, CA would provide support to MNOs that emerged as successful bidders to extend mobile network coverage.

Enhancing the 5G networks in Mass Transit Railway stations

56. Expressing concern about ways to optimize the coverage of 5G networks in the Mass Transit Railway ("MTR") stations, members asked how the Administration would improve the unsatisfactory reception of 4G/5G signals in certain MTR stations. The Administration advised that MNOs were in negotiations with the MTR Corporation Limited to implement system enhancements in MTR stations, with a view to improving network coverage and data transmission speed in MTR stations. In general, the Administration would forward complaints from individual users to the relevant operators and request follow-up actions as appropriate.

Radiation safety of radio base stations

- 57. Members enquired about the total number of cases received by the Administration in which members of the public requested site inspections and measurements of radiation levels, and the number of measurements of radiation levels conducted. The Administration was requested to enhance communication with local stakeholders to address public concerns.
- 58. The Administration replied that MNOs were required to comply with the non-ionizing radiation safety limits set by the International Commission on Non-ionizing Radiation Protection (ICNIRP) in order to obtain approval from CA for their applications for the use of RBSs. OFCA had, over the past three years, conducted measurements of radiation levels in residential premises throughout

the territory for a total of around 1 000 times upon requests from members of the public, and proactively performed random checks on the radiation levels of 7 600-odd RBSs. So far, there were no cases found to have exceeded the radiation safety standard. The Government would continue to step up publicity on radiation safety of RBSs to alleviate public anxiety.

<u>Proposed arrangements for the assignment of the radio spectrum in the 6/7 GHz</u> band and spectrum utilization fees-related facilitative measure

59. At the Panel meeting on 9 October 2023, discussions were held on the proposed arrangements for the assignment of the radio spectrum in the 6/7 GHz band and SUF-related facilitative measure. Members noted that the Administration would introduce amendments to the relevant subsidiary legislation to provide legal basis for conducting the auction planned to be held by the end of next year and levying of SUF. Meanwhile, the Administration planned to submit to LegCo an amendment bill on the Inland Revenue Ordinance (Cap. 112) within this year, in order to effect the proposal to provide tax deductions for SUF payable by MNOs on spectrum acquired in future spectrum auctions.

Auctioning arrangements for spectrum

60. Members enquired how the Administration would prevent the practice of collusive price fixing among telecommunications operators in the bidding process for the assignment of spectrum in the 6/7 GHz band. According to the Administration, CA would publish a public notice setting out the terms and conditions of the auction for the assignment of spectrum in the 6/7 GHz band. It would be explicitly stipulated in the notice that any price fixing agreements or practices among telecommunications companies affecting the spectrum auction might constitute a breach of the relevant provisions of the Competition Ordinance (Cap. 619), and CA would hold the telecommunications companies concerned liable.

Tax deduction for spectrum utilization fees

- 61. Members noted that it was proposed in the 2023-2024 Budget to provide tax deduction for SUF payable by MNOs on spectrum acquired in future spectrum auctions. Members enquired about the Administration's anticipated reduction in tax revenue as a result and whether there was any room for price reduction in the telecommunications services provided by MNOs to consumers.
- 62. The Administration advised that in order to avoid a one-off tax deduction of a substantial amount to MNOs in a particular year, the relevant profits tax deduction would be spread over the 15-year spectrum assignment term, and there

would be minor impact on the Government's annual tax revenue. Given that the yearly SUF involved only accounted for a very small portion of the operating costs of MNOs, there would be no significant impact on their operations. Indeed, with a highly competitive telecommunications services market, MNOs would strive to provide consumers with affordable and quality communications services.

Results of mid-term review of domestic free television programme service and sound broadcasting licences

63. The Panel discussed with the Administration results of mid-term review of domestic free television ("free TV") programme service and sound broadcasting licences at the meeting on 3 April 2023.

Relaxation measures to facilitate the broadcasting industry

- 64. Members expressed support for the new positive programme requirements ("PPR") where licensees were required to broadcast programmes aimed at promoting national education, national identity and the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region ("NSL") in an appropriate manner. Expressing concern that domestic free TV licensees were facing a more difficult business environment, members suggested that the Government should provide traditional broadcasters with a less restrictive business environment and allow licensees to broadcast product placements within programmes as a means of increasing revenue, with a view to promoting the sustainable development of the traditional broadcasting sector in Hong Kong.
- 65. The Administration said that a number of facilitative measures had been implemented in support of the traditional broadcasting sector, such as relaxing the "cross-media ownership restrictions" and "foreign control restrictions", removal of the "requirement of a licensee being a non-subsidiary company", permission for product placement, and lifting the requirement on the broadcast of educational television ("TV") programmes by free TV licensees. Also, the opening of the Mainland market was facilitated under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). CA would review and revise the relevant codes of practice, and consideration would be given to suggestions on enhancing the business operations of licensees during the review process.

Investment plans under free television programme service licences

66. Referring to the investment plans of Fantastic Television Limited and HK Television Entertainment Company Limited, members expressed concerns about whether they could sufficiently address the competitive media environment. The Administration advised that as the total actual expenditures incurred by the three

licensees for the reporting periods exceeded their commitments, CA considered that they had complied with their six-year investment plans. CA would keep a close eye on whether or not the licensees fulfilled their investment commitments and provided a diverse range of programmes in the remaining six-year validity period of their licences.

Promotion of the National Security Law through free television programme service licensees

67. While suggesting the Administration adopt a soft-sell approach to promote NSL, members asked how the Administration would support and encourage the production of relevant programmes by licensees. Members took the view that the Administration should establish a working group to ensure programme quality. The Administration advised that the relevant PPR took effect from 14 May 2023, and CA would maintain communication with the licensees. Local TV stations would be encouraged to broadcast more programmes on youth and national development, so as to engender a sense of citizenship and national identity among the public.

Broadcasting hours of children's programmes

68. Members questioned the appropriateness for CA to recommend allowing a weekly quota for children's programmes instead of a daily quota. The Administration advised that given the changing viewing habit and interest of children nowadays, they might, on top of the free TV channel, resort to online platforms or other media for watching children's programmes. Besides, Radio Television Hong Kong ("RTHK") would broadcast children's programmes daily and this could bridge any potential service gap following the relaxation.

Work of Radio Television Hong Kong

69. At the meeting on 10 July 2023, the Panel received briefings from the Administration and RTHK on the work and latest developments of RTHK.

Facilities of Radio Television Hong Kong and the new Broadcasting House project

70. Members raised concerns about the unsatisfactory conditions, equipment, and staff working environment at the RTHK Broadcasting House ("BH"), and they suggested that the Government should formulate improvement proposals based on simplicity and practicality. The Administration advised that it had been studying the works project for the construction of the new RTHK BH and a report would be made to LegCo when further details on the concrete proposal were available.

Staffing arrangement of Radio Television Hong Kong

71. Expressing concerns about the staffing establishment of RTHK, members noted that RTHK had launched multiple rounds of recruitment exercises to fill the existing civil service vacancies while engaging full-time non-civil service contract staff to cope with day-to-day operations. In addition to stepping up recruitment publicity targeting overseas students through the overseas Hong Kong Economic and Trade Offices ("ETOs"), RTHK had plans to conduct recruitment exercises in Mainland universities where a higher number of Hong Kong students were enrolled in the Department of Communications or relevant disciplines. Members suggested that the Administration should explore the possibility of merging RTHK and the Information Services Department ("ISD"); since ISD was now under the purview of HYAB, the Commerce and Economic Development Bureau ("CEDB") could initially study the matter with HYAB to facilitate a report to be made to the Panel in the future.

Telling good stories of the country and Hong Kong

- 72. Commending RTHK for its strenuous efforts in reforming the programme contents in recent years, members were in support of RTHK's production of more thematic programmes to tell the good stories of the country and Hong Kong. Members were of the view that RTHK should, taking into account the perspective of Hong Kong citizens, more extensively produce programmes featuring national and international developments, and join hands with the Mainland media organizations to co-produce English language programmes. To tie in with the national strategy on the Belt and Road Initiative, members suggested that RTHK should produce programmes targeting audiences of regions along the Belt and Road and introduce to them the developments and achievements of the country and Hong Kong. There were also suggestions that RTHK should strengthen cooperation with the Mainland media organizations and arrange for the relay broadcast of Mainland programmes, with a view to enhancing the appeal of programmes.
- 73. The Administration advised that RTHK had always been active in pursuing cooperation and exchanges with different Mainland media organizations. For example, RTHK would join hands with the China Media Group ("CMG") to coproduce "A Taste of Hong Kong", which was a documentary featuring the local characteristics. RTHK also planned to produce a programme on GBA in partnership with the GuangZhou Broadcasting Network. Continuous efforts would be made by RTHK to strengthen professional exchanges and cooperation with CMG and Mainland media organizations in GBA to facilitate the broadcast of more high-quality Mainland programmes on RTHK. Besides, RTHK was dedicated to enriching the content of its English language programmes, with the

introduction of a new magazine-style TV programme that showcased the diverse culture of Hong Kong.

Programme promotion

74. Members were of the view that RTHK should make good use of social media platforms to help strengthen the Government's information dissemination efforts. RTHK responded that with the launch of different promotional activities through multimedia platforms, it had actively sought to increase public awareness of RTHK's programmes. In addition, RTHK, apart from setting up its WeChat official account, had made use of social media platforms, such as RTHK's YouTube channel, for disseminating programme information. Leveraging various platforms in the new media, RTHK would continue its efforts to extend its reach to the audience.

Programme review

75. Members suggested that RTHK should introduce set-top boxes (also referred to as TV boxes) to enable the public to revisit the TV programmes from over 12 months ago. According to RTHK, members of the public could readily access most of the radio, TV and news programmes broadcast within the past 12 months, as well as original web contents, through its official website (i.e. "rthk.hk"), on-demand archives and the RTHK YouTube Channel. A selection of certain programme contents over a decade ago was also available on RTHK's Podcasts page. Furthermore, RTHK had launched the mobile app "RTHK Memory", which provided access to a collection of RTHK's classic programmes over the years.

CREATIVE INDUSTRY

Work of Create Hong Kong and Hong Kong Design Centre

The CreateSmart Initiative

76. At the meeting on 13 February 2023, the Panel received a briefing from the Administration on the efforts of Create Hong Kong in promoting the development of the creative industries and the work of Hong Kong Design Centre ("HKDC"). Members expressed concern about the practice of providing funding to approved projects under the CreateSmart Initiative ("CSI") on a yearly basis. Members requested the Administration to expedite the completion of assessing the CSI applications and consider providing longer-term funding support for the projects. The Administration advised that the CSI-funded projects were not subject to the requirement for completion in one year's time and the Government had previously

approved funding support for projects with an implementation period ranging from two to three years.

Promoting tourism with the aid of television dramas, films and programmes

- 77. Members pointed out that a number of Mainland TV dramas and films had gained wide popularity and the filming locations concerned had become tourist attractions for overseas visitors. The Administration should, in collaboration with CEDB and the Hong Kong Trade Development Council, proactively invite production staff of major films, TV dramas and programmes in the Mainland to apply for funding under the Film Development Fund ("FDF") and to shoot in Hong Kong, with a view to promoting Hong Kong's diverse experiences and generating international exposure of the city.
- 78. The Administration responded that FDF aimed at promoting the development of Hong Kong's film industry, such as nurturing young directors and scriptwriting talent, instead of financing overseas crews to conduct location filming in Hong Kong. As for the promotion of tourism with the aid of TV dramas and films, the Hong Kong Tourism Board had all along put in efforts in this regard. Meanwhile, the Government would provide support services to overseas film and TV production crews. The Government would also encourage the collaboration between the local TV and film sectors and their Mainland and Asian counterparts to enable audiences from different places to better understand Hong Kong's pop culture.

Support for Hong Kong's film industry

- Members conveyed the industry's expectations for more streamlined procedures and lower charges regarding applications for approval or permits required to use government premises for film shooting purpose. As for audience building, members considered that the Administration might consider working with the Education Bureau and schools to promote film appreciation so as to cultivate students' interests in watching movies at a younger age. Efforts should also be made to expand market horizons in the Southeast Asian market (e.g. Malaysia, Vietnam and Indonesia) through ETOs, with a view to promoting foreign collaborations with and Mainland film sectors well as audience building.
- 80. The Administration advised that it would review the application procedures for using government land for location filming as necessary, including, among others, the charges for the use of venues for film shooting purpose and streamlining the application procedures where practicable. The Government would maintain close liaison with ETOs to actively promote Hong Kong films in different places.

Supporting the development of Hong Kong's fashion design industry

81. Members enquired how the Administration would strengthen efforts in grooming fashion design talent and supporting the industry development, in a bid to develop Hong Kong into Asia's fashion design hub. The Administration indicated that the implementation of the Fashion Incubation Programme aimed at promoting the steady development of emerging fashion designers and brands, and offering expert advice, mentorship, marketing support and collaboration opportunities to incubatees. Meanwhile, the "Sham Shui Po Design and Fashion Project" was expected to be completed in 2023-2024. By associating with the district uniqueness of Sham Shui Po, the Project would create new synergy by blending with the design, fashion, garment manufacturing and retail sectors. HKDC was liaising with different stakeholders on the set-up and arrangement of the Project, in order to optimize the design through gathering valuable views.

Meetings held and visits

- 82. From January to November 2023, the Panel held a total of nine meetings. The Panel has scheduled another meeting in December 2023 to receive the Administration's briefing on the 2024-2025 funding proposal under the Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation)—New Administrative Computer Systems.
- 83. Besides, the Panel had a meeting with the delegation of the Senate Standing Committee on Information Technology, Communication and Telecommunications of the National Assembly of Thailand on 30 March 2023. On 16 June 2023, the Panel also paid a visit to RTHK, which allowed Members to gain a deeper understanding of the work of the public service broadcaster.

Council Business Division 1 and Public Complaints Office Legislative Council Secretariat
30 November 2023

Legislative Council

Panel on Information Technology and Broadcasting

Terms of Reference

- 1. To monitor and examine Government policies and issues of public concern relating to information technology, telecommunications, broadcasting, film services and creative industry.
- 2. To provide a forum for the exchange and dissemination of views on the above policy matters.
- 3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
- 4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
- 5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Panel on Information Technology and Broadcasting

Membership list for 2023 session*

Chairman Dr Hon Junius HO Kwan-yiu, BBS, JP

Deputy Chairman Hon Duncan CHIU

Members Hon CHAN Kin-por, GBS, JP

Hon MA Fung-kwok, GBS, JP Hon Elizabeth QUAT, SBS, JP

Ir Dr Hon LO Wai-kwok, GBS, MH, JP

Hon Holden CHOW Ho-ding, JP

Hon SHIU Ka-fai, JP Hon YUNG Hoi-yan, JP Hon LUK Chung-hung, JP Ir Hon LEE Chun-keung, JP

Hon LAM Chun-sing

Hon Dennis LEUNG Tsz-wing, MH

Ir Hon CHAN Siu-hung, JP Hon CHAN Hok-fung, MH, JP

Hon TANG Fei, MH

Hon Kenneth FOK Kai-kong, JP

(Total: 17 members)

Clerk Mr Daniel SIN

Legal Adviser Mr Jonathan CHENG

^{*} Changes in membership are shown in Annex

Annex to Appendix 2

Panel on Information Technology and Broadcasting

Changes in membership

Member	Relevant date
Ir Hon CHAN Siu-hung, JP	Since 17 January 2023

For **changes in LegCo membership**, please refer to the link below: (https://www.legco.gov.hk/en/members/legco-members/changes-in-legco-membership.html)