

DIGITAL 21 STRATEGY ADVISORY COMMITTEE

**Minutes of the Meeting held
on 22 March 2011 at 2:30 p.m.
in Conference Room, 2/F., Murray Building**

Present

Mr Gregory So, JP	Secretary for Commerce and Economic Development (Acting) (Chairman)
Miss Elizabeth Tse, JP	Permanent Secretary for Commerce and Economic Development (Communications and Technology)
Mr Stephen Mak, JP	Government Chief Information Officer
Miss Eliza Lee, JP	Director-General of Telecommunications
Mr Nicholas Chan	Assistant Commissioner for Innovation and Technology
Prof David Cheung	Member
Mr John Chiu, JP	Member
Ms Christine Fang, JP	Member
Ms Shirley Ha	Member
Mr Herman Lam	Member
Mr Joe Locandro	Member
Dr Elizabeth Quat	Member
Ms Waltraut Ritter	Member
Ms Susanna Shen	Member
Dr Charleston Sin	Member
Dr Hon Samson Tam, JP	Member
Prof Wong Kam-fai	Member
Mr Pindar Wong	Member
Mr Peter Yeung	Member

In attendance

Miss Joey Lam, JP	Deputy Government Chief Information Officer (Policy and Customer Service)
Mr Victor Lam	Deputy Government Chief Information

Mr Kenneth Cheng	Officer (Consulting and Operations) Assistant Government Chief Information Officer (E-government Service Delivery)
Ms Joyce Mok	Assistant Government Chief Information Officer (Digital Economy Facilitation)
Mr Alex Lee	Assistant Government Chief Information Officer (IT Strategy)
Mr Jason Pun	Chief Systems Manager (Digital Economy Facilitation)
Ms Donna Chan	Chief Systems Manager (IT Strategy)
Mr KW Chan	Manager (Digital Economy Facilitation)
Mr David Leung	Senior Administrative Officer (E-government Service Delivery), OGCIO (Secretary)

Absent with apologies

Ms Susanna Chiu	Member
Prof Nancy Law	Member
Mr Justin Tsang	Member

Introductory Remarks

The Chairman welcomed Members to the meeting. He informed Members that **Mr Daniel Ng** and **Mr Eli Sinyak** had resigned due to personal reasons. He thanked them for their contributions to the Committee. He then introduced **Mr Stephen Mak**, who had replaced Mr Jeremy Godfrey as the Government Chief Information Officer (GCIO), and **Mr Victor Lam**, the Deputy GCIO (Consulting and Operations).

Agenda Item I: Confirmation of Minutes

2. The draft minutes of the 20th D21SAC meeting held on 9 December 2010 were confirmed.

Agenda Item II: Data Centre Development in Hong Kong

3. **The Chairman** introduced the following for this agenda item —

- (a) **Mr Richard Wong**, Project Manager, Frost & Sullivan (Consultants);
- (b) **Mr Shivaji Das**, Vice President, Frost & Sullivan; and
- (c) **Ms Wendy Chow**, Head of Information and Communications Technology, Invest Hong Kong.

4. **Mr Richard Wong** briefed Members on the tangible and intangible economic benefits attributable to the data centre sector of Hong Kong in 2009 with the slides at **Annex A**. The study showed that there was potential for strong demand growth for high tier data centres. There were however constraints in terms of availability of suitable land. The Consultants recommended exploring measures to facilitate the development of high tier data centres to sustain Hong Kong's competitiveness.

5. **Members** concurred with the findings of the study and made the following comments —

- (a) in facilitating the development of data centres, the Government should also drive the adoption of green ICT practices;
- (b) the Government should have regard to the policies and government incentives of other popular data centre locations, as well as the needs of industry stakeholders; and
- (c) the cost of converting an existing industrial building to a high-tier data centre would be very high.

6. In response to Members' comments, **Mr Richard Wong** and **Mr Shivaji Das** said that —

- (a) data centres had high demand for power, and there was potential to use green technology;
- (b) the study had made reference to the policies and incentives of other popular data centre locations such as Singapore and the United States;
- (c) it was difficult for data centre operators to acquire suitable land plots in the Tseung Kwan O Industrial Estate because competition was keen; and
- (d) conversion of an existing industrial building to a high-tier data centre required long lead time and was costly.

7. **Mr KW Chan**, Manager, OGCIO, made a presentation on proposed facilitation measures with the slides at **Annex B**. In gist, InvestHK would continue to promote Hong Kong as a prime location for data centres while OGCIO would set up an information portal and one-stop helpdesk service to help interested investors. The Government was identifying suitable sites for development of high-tier data centres.

8. **Members** supported the proposed measures and made the following comments —

- (a) land supply for data centre development should be increased;
- (b) the Government should encourage large international firms to set up data centres in Hong Kong; and
- (c) the Government should also take steps to ensure that there were sufficient suitable talents to support the development of high tier data centres.

9. In response to Members' comments, **Miss Elizabeth Tse, Mr Stephen Mak and Mr KW Chan** replied that —

- (a) the Government was in the process of identifying suitable sites for data centre development;
- (b) OGCIO had a plan to promote Hong Kong internationally and to attract firms to set up data centres in Hong Kong. Government departments, industry support organisations and industry stakeholders all had a role to play; and
- (c) the Government noted the human resource angle and would consider necessary measures as appropriate.

10. **The Chairman** thanked Members for their constructive suggestions and said that the Government would pursue this initiative rigorously. The Task Force on Industry Facilitation would follow-up on the facilitative measures.

Agenda Item III: Adoption of Cloud Computing Model in Government

11. At the invitation of **the Chairman, Mr Alex Lee**, Assistant GCIO, introduced the paper with the aid of the slides at **Annex C**. Cloud computing was a global trend affecting the IT industry from both supplier and user angles. Having examined other governments' strategies, practices and initiatives on cloud computing, OGCIO proposed to establish a Government Cloud environment comprising in-house and outsourced private clouds, as well as public cloud. He briefed Members on the anticipated benefits to the community, the Government and the IT industry. He also highlighted the issues that needed to be addressed. OGCIO would incrementally re-provision Government's central IT services and would ensure that the IT industry and the Government would move in tandem to develop a cloud-regime fitting for Hong Kong.

12. Noting Government's cloud strategy, **Members** welcomed the presentation and made the following comments —

- (a) there should be bundled data centre services and associated facilities offered in the market for easy adoption by small and medium-sized enterprises (SMEs);
- (b) there should be common standards with inclusion of the mobility angles for the cloud computing environment;
- (c) the Government should consider making available a community cloud for use by under-privileged groups;
- (d) the education and social services sectors should be given due attention;
- (e) auditing should be properly addressed as liability would be an important issue if something did go wrong in a cloud computing environment; and
- (f) any services introduced to the public should not compete with the industry.

13. In response to Members' questions, **Mr Stephen Mak** advised that —

- (a) the Government had a roadmap for the adoption of cloud computing in the Government. About 10 related initiatives would be implemented in the coming two to five years, but some of them would need to go through the normal programme/project rigour of giving justification, seeking funding, etc. Government would keep the industry on board during implementation.
- (b) OGCIO was considering the feasibility of deploying a community cloud for some of the digital inclusion initiatives;

- (c) OGCIO had planned to seek proposals from the industry for suitable services that could make use of a public cloud within 2011. After the cloud computing market had become more mature, SMEs might use the public cloud to interact with the Government to reduce cost;
- (d) OGCIO had planned to look into issues such as information security, data privacy, contract terms and conditions as well as the interoperability standards in relation to the adoption of cloud computing in the Government; and
- (e) Government encouraged the IT industry to develop cloud computing products and services for the local market.

14. **Miss Elizabeth Tse** further added that many of the cloud-related programmes had detailed implementation timetable, which was shown in the Annex of the discussion paper.

15. **The Chairman** said that OGCIO would take into account Members' views when implementing the various cloud computing initiatives and update the Committee as appropriate.

Agenda Item IV: Proposed Themes for Sponsorship Projects of OGCIO

16. **Mr Kenneth Cheng**, Assistant GCIO (E-government Service Delivery), introduced the paper.

17. He briefed Members on the proposed themes for sponsorship projects in 2011-12. In 2011-12, OGCIO had earmarked a total of \$31.1 million for supporting various digital inclusion and industry facilitation projects. Within this \$31.1 million, OGCIO had set aside \$8 million to sponsor projects under four proposed themes. OGCIO would invite proposals under these themes. This arrangement would focus the resources on priority areas for greater impact and effectiveness. OGCIO would consult this Committee on the

selection of themes. With the possible exception of very significant projects in terms of scale or international profile, OGCIO would only consider project proposals from non-profit organisations under the agreed themes. OGCIO would continue to separately fund other projects, including the Internet Learning Support Programme, elderly portal etc.

18. As one of the proposed themes was on “public sector information”, **Mr Pindar Wong** declared interest that he was the co-public lead of Creative Commons Hong Kong, a copyright licencing scheme.

19. **Members** endorsed the proposal and the proposed themes, and made the following comments —

- (a) Government should consider making clear the procedures to handle proposals that were not within the four proposed themes;
- (b) “e-health” and “green ICT adoption” could be considered as possible themes in the future; and
- (c) the Government should continue to support other existing digital inclusion projects as far as possible.

20. In response to members’ questions, **Miss Joey Lam** and **Mr Stephen Mak** said that —

- (a) the purpose of the proposed themes was to focus available resources to achieve greater synergy. The \$8 million mentioned in the paper was for supporting project proposals from non-profit organisations only. There would be additional resources to support other worthwhile industry facilitation and digital inclusion projects;
- (b) the themes would be reviewed from time to time in consultation with the Committee. New themes could be introduced as appropriate;

- (c) there would be clear and stringent procedures for vetting the proposals. Overlapping with other existing programmes would be avoided as far as possible; and
- (d) “e-health” was a large programme which was under separate funding from the Food and Health Bureau (FHB). FHB had launched an industry engagement exercise with local medical practitioners as target.

21. **The Chairman** said that OGCIO would liaise with relevant stakeholders and work out the implementation details in due course.

Agenda Item V: Report on the Progress of Task Forces

22. **Mr Stephen Mak** introduced the paper. The Task Force on Digital Inclusion received updates on the “Be Netwise Campaign” which had been successfully completed and the eElderly portal, the first phase of which was also launched. The Task Force supported the portal’s second phase development and also discussed the Web Accessibility Campaign proposal.

23. The Task Force on Industry Facilitation discussed the adoption of IPv6 in Hong Kong, proposed strategies to more effectively promote Hong Kong’s ICT industry on the Mainland and overseas and measures to facilitate the development of data centres in Hong Kong.

24. The Task Force on E-Government Service Delivery had discussed the proposed Pan-government IT Strategy, which outlined Government’s plan to gradually adopt cloud computing. We also updated the Task Force on the public sector information pilot scheme and the different functionalities of a mobile application for the public to make enquiries or complaints to Government’s 1823 enquiry centre.

25. **Members** noted the issues discussed at the Task Forces.

Agenda Item VI: Any Other Business

26. Members suggested that the following topics could be discussed in the future —

- (a) critical information infrastructure protection;
- (b) 12th Five Year Plan; and
- (c) public alerts on disruptions in Internet service.

27. On critical information infrastructure protection, **Mr Stephen Mak** supplemented that the Internet Infrastructure Liaison Group was activated very soon after the recent major earthquake in Japan to closely monitor the network status. The Hong Kong Computer Emergency Response Team also issued a public announcement on the immediate impact to Hong Kong. **Mr Victor Lam** also said that OGCIO published a notice in OGCIO's website with the latest internet status soon after the earthquake in Japan.

28. **The Chairman** welcomed members' suggestions and said that the issues would be followed up in future Task Force meetings where appropriate.

**Office of the Government Chief Information Officer
Commerce and Economic Development Bureau
April 2011**