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Submission

to

The Office of the Government Chief Information Officer (OGCIO),

Commerce, Industry and Technology Bureau,

The Government of the Hong Kong Special Administrative Region

on

Public Consultation on Digital 21 Strategy

18 December 2006

Internet Professional Association

Public Consultation on 2007 Digital 21 Strategy

Introduction

The Internet Professional Association (iProA) is pleased to give the following comments and recommendations to the Office of the Government Chief Information Officer (OGCIO), Commerce, Industry and Technology Bureau, The Government of the Hong Kong Special Administrative Region, on the public consultation on 2007 Digital 21 Strategy. Our submission is divided into three major areas: 1) Government Contract, 2) Digital City, 3) Creation of Job Opportunity and IT Adoption.

1) Government Contract

1.1   More emphasis should be placed on service and product quality in procurement exercises instead of putting price as the single dominant determining factor. Failure of implementation of IT projects including TIS of Transport Department, Financial System of Treasury and CIS of Social Welfare Department, has demonstrated the disadvantages of "Lowest Bid Wins" selection criterion. The Government's prompt action to rectify this situation is very important in shaping a healthy digital economy.

1.2   The Government has to foster more Public Private Partnership (PPP) collaboration opportunities in delivering more value-added e-government services.

2) Digital City

2.1 IT Infrastructure and continuous development of digital economy

2.1.1 The Hong Kong Government should study and establish the definition and measurement criteria for digital city.

2.1.2 In addition to financing R&D work of advanced technologies, The Government should also finance the establishment of territory-wide and large-scale hardware infrastructure for some advanced technologies, especially those involved land resources, like city-wide wi-fi network or a supplementary positioning network to GPS in densely urban area. Private sector is very difficult to afford investment in this kind of large-scale hardware infrastructure.

2.1.3 In the past years, Hong Kong Government has invested much capital in IT infrastructure such as Cyber Port and Hong Kong Science Park projects. Apart from financially self-sufficient, these infrastructure projects should strive to generate incomes to finance the continual development of technology in Hong Kong. The key to long term IT development, apart from the IT infrastructure, is the development and maintenance of IT talents. We suggest that besides self attainment of the organizations running Cyber Port and Hong Kong Science Park projects, the revenue made should be used for recurrent investment in IT education projects, such as continual IT education for professionals and IT youth projects.

2.1.4 ITF fund has been in place for a number of years, but the success rate of commercialization is still quite low. It is suggested that the Government should put more effort in and support to R&D projects into commercialization stage.

2.2 eHealth

2.2.1 There is no timeframe for the eHealth related initiatives mentioned in Chapter 8. Without schedule, there is a risk that the discussion will drift.

2.2.2 Public service delivery can be done via partnership with private sector but there is little mention of the role of private sector. There exists a large gap of deploying eHealth in the territory, such as the inertia exists in the medical professionals and the difficulty of promoting private sector to adopt eHealth. It is suggested that more positive initiatives should be taken to narrow the gap of territory-wide adoption of eHealth, especially the facilitation of private sectors to use various eHealth tools and technology.

2.3 eTransportation

2.3.1 When TIS is finished in 2008, the two key services IRN and PTIS will undoubtedly benefit both the public and the industry. However, the paper does not make it clear that if the services are offered to the public and the industry for free or with cost.

2.3.2 If the services will not be provided for free, the model and level of charge should be mentioned in the paper. The affordability and feasibility of the services are open to question.

2.3.3 Once the TIS for Hong Kong is completed, the issue of interfacing our TIS with the TISs of other Mainland China cities and provinces with close relationship with Hong Kong in terms of transportation should be considered since a lot of traffic is cross border.

2.4 Information Security

2.4.1 Emphasis should be put on data protection in the review of the recent cases on leakage of privacy data among several government or semi-government departments, such as Independent Police Complaints Council (IPCC).

2.4.2 However, such events indicate not only a security issue on privacy data, but also other sensitive information inside the government and different industries. The government should review and enhance the overall IT security standard such as IT security auditing and compliance.

2.4.3 Prevention or security control measures over sensitive information should be considered to strengthen Hong Kong as a major financial centre. In review of a number of major corporate and accounting scandals, such as Enron, WorldCom, HealthSouth, which involved prominent companies and millions of dollars of investors in the United State, the general industry trend is therefore pushing more disclosure and formality on corporate governance, and hence IT governance being part of it, with information security being a key element of IT governance. As a result, new legislation such as Sarbanes-Oxley (SOX)[1], emerged to improve overall governance of enterprises in relation to their internal controls.

2.4.4 Apart from SOX, several other legislations have also emerged to improve the enterprise governance and security control measures in different industries such as Gramm-Leach-Bliley Act (GLBA), Health Insurance Portability and Accountability Act (HIPAA), and Federal Information Security Management Act (FISMA) in US which protect sensitive information involved in various industries like financial institutions, hospitality and Federal organizations.

2.4.5 In addition to the abovementioned legislation to improve governance, COBIT (Control Objectives for Information and related Technology) is an IT governance framework and supporting toolset that allows managers to bridge the gap between control requirements, technical issues and business risk. It will be a useful reference which enables clear policy development and good practice for IT control throughout organizations, enabling organizations to meet today's business and IT challenges.

2.4.6 HK government should take note of the above framework and legislation development

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[1] Sarbanes-Oxley (SOX) is a law passed in United States in 2002 to strengthen corporate governance procedures for publicly-traded companies. It requires public companies, United States-based and international, whose stock is traded on United States exchanges to fulfill high-level requirements with the aims to stabilize the U.S. markets and restore investor confidence, in response to a number of major corporate and accounting scandals – Enron, WorldCom, HealthSouth, etc.

worldwide, and should suitably apply to HK's environment, in order to improve the overall corporate and IT government of both the public and private sector, maintaining HK's competitiveness in terms of governance excellence in the global market.

2.5 Digital Divide

2.5.1 Referring to section 7.16, we agree to the establishment of the task force initiated by the Hong Kong Government, and iProA, with long-term strategy and experiences on e-Inclusion campaign, would like to take a more important role and participate in the task force initiated by the Government.

2.5.2 Training venues and education programmes are inadequate. And thus we suggest such facilities and events be increased in all the 18 districts throughout Hong Kong.

2.5.3 Referring to section 7.16, we are of the opinion that the needs of youth and unemployed teenagers segments should also be catered to.

3) Creation of Job Opportunity and IT Adoption

3.1   The Government should provide more support such as tax reduction to the industry for encouraging their involvement in the IT technological research in Hong Kong. The current policy is too restrictive. A more flexible and direct-benefit policy such as tax reduction should be explored so that more companies will be willing to actively invest in developing themselves as high-tech business.

3.2   The Government should promote its IT strategy and let Hong Kong residents understand the importance of IT to the growth and competitiveness of Hong Kong economy.

3.3   The Government should promote the IT adoption in SMEs such as IT matching fund for SME, in order to enhance their productivity.

Conclusion

This submission has made the above recommendations for the Government of the Hong Kong Special Administrative Region on 2007 Digital 21 Strategy. We hope that these recommendations will help shape the development of Hong Kong into a leading digital city.

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