

## Proposal of Economic Remedies under Financial Tsunami

The information and communications technology (ICT) sector is one of the industries most seriously undermined by the current financial tsunami. ICT industry has always been viewed as playing a supportive role to the Hong Kong economy, during recessions, ICT related job functions are cut, and many business enterprises, large or small, are holding off IT spending and investment

Refer to the Digital 21 Strategy, apart from relevance at the macro and strategic level in terms of Hong Kong's economic development, the Strategy has implication on our daily lives such as public services delivery, food safety, health care, etc. We understand the strategy is a dynamic roadmap and the realization of the vision requires the participation of the entire community, including Government, the ICT sector, other vertical sectors and academia. However, the HKITF firmly believe that the Government shall take a leading role and help the ICT industry weather the current challenges by expedite ICT projects on the above areas.

With reference to the following indicators used to measure ICT development,

- Government ICT spending
- R&D expenditure
- Number of e-government Services
- % of government forms available through the Internet
- % of government services amendable to electronic mode that have an e option
- Level of satisfaction of citizens who have used online government services
- Number of visitors to GovHK
- Number of online e-government transactions

we have identified the following key areas as priority and recommend the Government to focus on. These initiatives have already been reviewed and approved on the high-level as a matter of policy under the Digital 21 Strategy, and this is a proper time for Government to take action and implement.

### **1. e-Government projects**

This is the area where OGCIO has most control on funding and execution. In the short term, increased IT funding and expediting the implementation of various IT projects such as increase to 100% online form submission (not just download forms and return by fax), increase the online e-government services in GovHK, enhancing the e-government programme by facilitating joined-up services and integration with back end systems, etc.

### **2. Enabling the next generation of public services**

The Digital 21 Strategy highlighted the following programs/initiatives in e-governemnt. We regret to note that the progress of these programs/initiatives has so far been, unfortunately, too little, too slow. In order to encourage use of e-government services by citizens, the HKITF urges the Government to allocate adequate funding and resources to

roll out these initiatives and most importantly, to confirm details of implement plan for each initiative in the coming financial year.

- **E-Citizen Accounts** – Expedite the development and introduction of the e-Citizen account, to provide unified, personalized services from all Government departments to all citizens, including payment, renewals, bookings and other Government-related transactions. More important, it will increase the visitors to GovHK.
- **Health** – extending the pilot program of Hospital Authority electronic patient records with private hospitals and private medical practitioners; introducing electronic health records in the Department of Health
- **Procurement** - Piloting e-procurement project in selected government departments in order to formulate plans for further roll-out to other parts of Government;
- **Transport** - Setting up the Transport Information System in 2008 to pave way for introduction of value-added services (e.g. Real-Time Traffic Information and Dynamic Vehicle Navigation systems and services);
- **E-Government** –
  - Developing and introducing a Channel Management Strategy
  - Promulgating a government-wide electronic information management strategyDeveloping a common platform for dissemination of geospatial information on GovHK

### **3. Education**

It is common knowledge that students in Hong Kong suffer from huge school bags that they carry day after day. Parents easily spend over \$3000 every year to buy new slightly revised edition of books for basically the same syllabus. We understand that all textbook content is already available in softcopy version for use by teaching staff only. Despite the huge investments government has made so far to encourage IT usage in Education, our students still have to share PCs in school and not all have access at home.

With the Third IT in Education Strategy released earlier this year and the formation of the Working Group on Development of Textbooks and E-learning Resources under the Education Bureau, Government should speed up the development of electronic books /content and platform for primary and secondary school education, and more actively engage the ICT sector in its policy discussion and development.

We further suggest the Government setting aside funding to develop and provide a platform for primary and secondary schools to source and pay for content centrally. Content providers/publishers can bid for supplying core syllabus content under a Standing Offer Agreement (SOA) for up to a 3 year term. Schools that intend to acquire certain content for use may ask for quotation from qualified content providers under the SOA. Ad hoc supplementary content may be uploaded anytime/ periodically on to the “price list” as separate items or as a continuous update for monthly subscription. Hardware – low costs Netbook – can also be covered under this platform.

Once schools have purchased the content/hardware for use by students, the related fees may then be shared by parents either as one off payment or monthly payments (especially where schools are also paying by subscription). We believe that this model will bring great savings to parents and students will no longer have to carry heavy school bags.

With migration to the e-learning platform, Government also needs to ensure better support for teachers in IT education by ring-fencing fundings to hire IT assistants for schools and to procure much-needed technical support services.

#### 4. R&D

Applications for R&D funding are now mainly administered by ITC. Unfortunately, the vetting cycle of ITC is too long, and the vetting committee does not meet frequently enough. It is recommended that ITC to develop a more sophisticated grant approval system with pre-defined evaluation criteria. More members should be appointed to the vetting committee, and the committee may meet virtually to review applications. It should also produce reports on its assessment with recommendations so that rejected applicants may follow up. We hope that with these changes, more R&D applications can be processed, and more projects for creative innovations can receive the much needed funding

#### 5. Digital inclusion

Government should launch the pilot Digital Cyber Centers as soon as possible to provide better accessibility and training to the underserved communities so as to enhance their employability. Many have expressed the view that broadband Internet access charges should be included as one of the basic living expenses under the Comprehensive Social Security Assurance (CSSA) scheme for needy families with students. HKITF agree with this and advocate the Government to adopt this proposal.

In order to maintain Hong Kong's position as the hub for technological cooperation and trade in the long run, it is particularly important to keep the momentum of the Digital 21 Strategy and not to lose focus. Nevertheless, this is a critical moment that the government shall put the short term projects into priority, whether it be feasibility studies or actual implementation, in order to rescue the ICT industry players from the financial tsunami immediately.

### **Hong Kong Information Technology Federation December , 2008**

*Established in 1980, the Hong Kong Information Technology Federation is a nonprofit, non-political trade association that acts as a forum in which the IT-related businesses in Hong Kong can work together for the benefit of the industry and to maintain a high level of business practice amongst the members.*

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