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Hon SIN Chung-kai, JP Panel Chairman Legislative Council Panel on Information Technology and Broadcasting

Dear Panel Chairman.

Re: Panel on Information Technology and Broadcasting Meeting on Monday, 13 February 2006

In response to your invitation for submissions dated 24 January 2006 for the captioned meeting, we are writing to express the opinions of our Association.

1. While our Association is not in a position to comment on the appropriateness of the proposed time frame, one of our concerns of the new strategy ("New Strategy") is the practicality of the relatively short time allowed for the implementation of the Stage 1 by around mid-2006. However, we would like to emphasize that the proposed "short time" should not become an excuse to compromise on the quality of the New Strategy nor to deviate from standard administrative procedures and policies of the Government.

In particular, given the substantial size of the non-recurrent provision of \$170.8 million seeking funding approval, we would expect that the Administration will process the related procurement of goods and services through standard tendering procedures such that the funding could be most economically and effectively utilized.

From the commercial sector point of view, the New Strategy presented a totally different 2. approach of the Government for e-government program when compared with the "first phase of the e-government programme" launched in 2001 through a public-private partnership ("PPP").

In particular, the first stage of the New Strategy is suggested to be built by the Government itself without private partner involvement. Besides, the presented justification for the related funding being sought is based on the cost avoidance on the charges payable to a PPP partner of the Government.

Furthermore, while it was slightly touched, the mode and extend of private sector participation in the delivery of e-government services in Stage 2 onwards are not clear. In specific, the New Strategy made no statement on whether the platform built in Stage 1 will ultimately sell / transfer, for a reasonable consideration, to PPP partner(s) in the future.

The proposed New Strategy sent a very confusing signal to the commercial sector that the Government is not clear about its position towards private sector participation in the delivery of e-government services and in fact the Government considers itself being a competing alternative to PPP partner(s).

We are concerned that the New Strategy will hinder the interest of the private sector to invest or explore to invest in e-government services. And therefore, we suggest the Government to spell out clearly its strategy related to PPP and define in detail the related roadmap and time frame such that the private sector could study and analyze to make related investment decisions.

Yours sincerely,

For and on behalf of Information and Software Industry Association

Aldous Ng

Chairman