

立法會
Legislative Council

LC Paper No. CB(1)1925/00-01

(These minutes have been seen by
the Administration and cleared
with the Chairman)

Ref : CB1/PL/ITB/1

Legislative Council
Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 9 July 2001, at 2:30 pm
in Conference Room A of the Legislative Council Building

- Members present** : Hon SIN Chung-kai (Chairman)
Hon Howard YOUNG, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon Eric LI Ka-cheung, JP
Hon CHAN Kwok-keung
Hon YEUNG Yiu-chung, BBS
Hon Emily LAU Wai-hing, JP
Hon LAW Chi-kwong, JP
- Members absent** : Hon David CHU Yu-lin, JP
Dr Hon Philip WONG Yu-hong
Hon Timothy FOK Tsun-ting, SBS, JP
- Public officers attending** : Item Nos. II, III & IV
Mrs Carrie YAU, JP
Secretary for Information Technology and Broadcasting
- Item No. II
- Miss Annie TAM
Deputy Secretary for Information Technology and
Broadcasting (3)

Mr M T WONG
Chief Engineer (Cyberport), Information Technology and
Broadcasting Bureau

Item Nos. III & IV

Mr Alan SIU
Deputy Secretary for Information Technology and
Broadcasting (2)

Mr Rex CHANG
Principal Assistant Secretary for Information Technology
and Broadcasting

Mr SHE Mang
Principal Inspector, Education Department

Item No. III

Mr NG Hon-wah
Principal Assistant Secretary for Home Affairs

Ms Winnie SO
Principal Assistant Secretary for Education and
Manpower

Ms Esther LEUNG
Principal Assistant Secretary for the Treasury

Miss Ophelia CHAN
Assistant Director of Social Welfare

Mr Simon YAN
Assistant Director of Information Technology Services

Ms Monica CHEN
Assistant Director of Home Affairs

Mr Y K HA
Assistant Director of Telecommunications

Item No. IV

Ms Michelle LI
Principal Assistant Secretary for Education and
Manpower

Mr IP Hong-yi
Centre Director, Information Technology Training and
Development Centre, Vocational Training Council

Mr Steve LAI
Manager, Employees Retraining Board

Clerk in attendance : Miss Polly YEUNG
Chief Assistant Secretary (1)3

Staff in attendance : Ms Anita SIT
Senior Assistant Secretary (1)8

I. Confirmation of minutes and matters arising
(LC Paper No. CB(1)1647/00-01)

The minutes of the meeting held on 14 May 2001 were confirmed.

II. Progress of the Cyberport project
(LC Paper No. CB(1)1710/00-01(02) & (03))

2. The Deputy Secretary for Information Technology and Broadcasting (3) (DS(ITB)3) briefed members on the major developments of the Cyberport project.

3. In reply to Mr Howard YOUNG's enquiry about the rental of the Cyberport offices, DS(ITB)3 advised that in promulgating the invitation to information technology (IT) companies to submit applications for Cyberport office tenancy on 20 April 2001, the Administration had announced that the monthly rental for the Cyberport offices had been set at HK\$11 - \$13 per square foot (ft²) lettable. The announced Cyberport rental would be adhered to in the course of processing the tenancy applications unless there were significant changes in the overall economic/property market environment.

4. Miss Emily LAU sought clarification on whether there was an element of government subsidy in the Cyberport office rental. In response, the Secretary for Information Technology and Broadcasting (SITB) and DS(ITB)3 advised that the Administration had engaged a consultant to conduct a survey on the rental of similar facilities in American, European and Asian countries. It was revealed that the rental of similar facilities in Asian countries ranged from US\$1 to US\$2 and the median was below US\$1.5. Having regard to the objective of the Cyberport and the need to ensure its competitiveness, the consultant recommended that the Cyberport office rental should set at US\$1.3 - \$1.4 (or HK\$11 to \$13) per ft² lettable. SITB

confirmed that there was no question of government subsidy as the Cyberport rental had been set with reference to the prevailing market rate. A possible edge that Cyberport tenants might have would be the benefit arising from the strategic cluster of IT companies and a range of shared facilities and services available within the Cyberport.

5. Mr Eric LI was of the view that the announced Cyberport rental was highly attractive given the location of Cyberport and the complementary facilities and services to be provided therein. He therefore considered that to some extent, the Cyberport would have an impact on the local commercial property market, although the impact might have become less significant due to the downward trend of the rental of local office premises.

6. Mr YEUNG Yiu-chung enquired about the criteria for the selection of Cyberport office tenants and the timetable for processing tenancy applications. In reply, DS(ITB)3 advised that the qualification criteria had been set out in the "Guide to applicants" enclosed in the application booklet. A Committee on Admission of Cyberport Office Tenants (CACOT) had been set up in March 2001 to advise on the selection of Cyberport tenants. There was no firm timetable for the processing of applications as the time required to process an application would depend very much on the adequacy of the information provided by individual applicants.

7. Miss Emily LAU referred to the qualification criteria set out in paragraph 2.2 of the "Guide to applicants" and questioned whether priority would be given to overseas IT companies which would establish their offices in Hong Kong for the first time by becoming a Cyberport tenant. In response, DS(ITB)3 advised that the objective of the Cyberport project was to create a strategic cluster of IT companies, ranging from small and medium sized local companies to big multinational corporations. So far, applications had been received from multinational corporations, overseas and local companies of varied sizes. She remarked that based on the promulgated qualification criteria, the CACOT would probably give priority to those IT companies which planned to establish their regional headquarters in the Cyberport. At Mr Eric LI's request, DS(ITB)3 agreed to provide information on the profiles of the Cyberport tenants in due course.

Admin

8. Mr Eric LI and Miss Emily LAU recalled that in granting the development right for the Cyberport to Pacific Century Group (PCG), the Administration had emphasized the international status and connections of PCG and hence its capability in marketing the Cyberport. They enquired about the extent of PCG's involvement in marketing the Cyberport and its performance in this regard. In reply, SITB and DS(ITB)3 advised that while the Administration had been making arduous efforts on promoting the Cyberport locally and overseas, the Cyberport developer, which was a PCG-owned company, had been acting as the marketing agent for the project. They confirmed that some prospective tenants came to know about the Cyberport through the Cyberport developer and its corporate network.

9. Regarding the conversion of residential developments in the Cyberport into offices, DS(ITB)3 advised that in response to members' earlier suggestion of providing more office space within the Cyberport to meet the strong demand, the Administration had obtained approval from the Town Planning Board to convert the planned 144 residential flats (of 19 500 m²) within the Cyberport Portion into office use. As regards the planned quality housing development of 8 100 m² (to provide for 20 to 30 houses) also within the Cyberport Portion, DS(ITB)3 advised that this development was initially planned to cater for the accommodation needs of the senior executives of the tenant companies. The Administration would discuss with successful applicants to ascertain their need for such accommodation and decide on the way forward before the end of 2001. She also confirmed that this quality housing development, if were to proceed as planned, would be put for lease only and would not form part of the neighbouring Residential Portion of the Cyberport project, the units of which would be put for sale and the surplus proceeds from the sale would be shared between the Government and the PCG according to the terms of the Project Agreement.

Admin

10. Mr Howard YOUNG opined that apart from consultation with successful applicants, the Administration should also take into consideration the supply of comparable housing in the vicinity. Relevant information should be made available to successful applicants to facilitate the latter's consideration of the need for quality housing within the Cyberport to accommodate their senior executives. DS(ITB)3 noted Mr YOUNG's view for necessary action in due course.

11. Miss Emily LAU enquired whether the conversion of residential units within the Cyberport Portion into offices would have implications on the Project Agreement with the Cyberport developer. DS(ITB)3 confirmed that as the title to the Cyberport Portion of the Cyberport project was vested in a FSI-owned company, changes to the land use within the Cyberport Portion would primarily be a matter for the FSI-owned company. However, the Government would need to examine with the Cyberport developer the implications of such changes on the development costs of the project.

12. Miss Emily LAU further enquired whether the Administration would consider converting part of the ancillary Residential Portion into offices if there was such a demand. In reply, DS(ITB)3 advised that according to the Project Agreement, the profits from the sale of units in the Residential Portion would be used to meet any outstanding construction costs of the Cyberport Portion and the balance would be shared between the Government and the Cyberport developer after setting aside at least \$200-million for a Development Fund. Changes to the land use within the Residential Portion would have significant implications on the Project Agreement.

13. On the financial arrangements, members noted from the Administration's information that pursuant to the Project Agreement, the Cyberport developer, which was Cyber-Port Limited, a wholly-owned subsidiary set up by Pacific Century CyberWorks to undertake the Cyberport project, had procured from an A-rated bank for the Government, as the beneficiary, a cashflow guarantee to cover the forecast

cashflow requirements for every next six months. The current guarantee held by the Government guaranteed the forecast cashflow requirements of the project for the period from 1 July to 31 December 2001.

14. Pointing out that the Cyberport project spanned far beyond year 2001, Miss Emily LAU reiterated her concern about the capability of PCG to finance the Cyberport project up to completion and enquired whether the Administration had identified any areas of concern in this regard. Mr Eric LI echoed Miss LAU's concern and opined that the Administration should adopt a more prudent approach and draw up contingency plans for the financing of the project. Miss LAU and Mr LI also considered that the Administration should provide more information on the arrangements for the Cyberport project to address public concern about completion of the project on schedule.

15. In response, DS(ITB)3 explained that the six-month cashflow guarantee had been provided by the Cyber-Port Limited pursuant to the Project Agreement signed in May 2000. It was not a measure arising from the current financial position of its parent company which was Pacific Century CyberWorks (PCCW). She also confirmed that so far, the Administration had not identified any areas of concern regarding the financial arrangements for the project. All along, the Cyber-Port Limited had provided the necessary information to the satisfaction of the Administration on its capability to finance the project up to completion. SITB assured members that the Administration was mindful of the need to prepare for any eventualities and would make necessary arrangements where circumstances so warranted.

16. Members noted that the Government had set up three limited companies owned by the Financial Secretary Incorporated (FSI) for undertaking the Cyberport project. The Chairman said that as the Cyberport project was progressing to the more advance stage, certain key business decisions would need to be made. Referring to the Hong Kong Science and Technology Parks Corporation, a statutory corporation set up to manage the Science Park and industrial estates, he noted that the FSI-owned companies in the case of the Cyberport project were private companies and had set up Boards of Directors. He enquired about the timetable and mechanism for the establishment of a management committee under the Board of Directors for some or all of the three FSI-owned Cyberport companies.

17. Mr Eric LI shared the Chairman's view and highlighted the importance of adhering to fair and prudent commercial principles in taking decisions relating to the Cyberport. In this connection, he suggested that the Administration should enlist more independent persons in drawing up the institutional arrangements for the Cyberport to enhance the transparency of the whole process.

18. In response, DS(ITB)3 said that the FSI companies were private companies and currently, their respective board of directors comprised two members. Upon the finalization of the Management Agreement with PCCW in the latter half of year

Admin 2001, the Administration would review the composition of the Board of Directors of the FSI companies and members' views in this regard would be taken into account. She also remarked that to enhance public accountability of the tenancy selection process, both local and international experts had been invited to sit on the CACOT to advise on the selection of Cyberport office tenants. She undertook to report to the Panel the institutional arrangements for future management of the Cyberport in the next progress report.

Admin 19. The Chairman said that in line with the existing arrangements, the next progress report on the project would be provided by the Administration in December 2001 or January 2002.

III. Digital divide

(LC Paper No. CB(1)1710/00-01(04))

20. The Chairman thanked the Administration for providing a very detailed paper setting out its response to the views expressed by deputations and members on digital divide at the Panel meeting on 14 May 2001. He said that the paper had been uploaded onto the website of the Legislative Council and further instructed the Clerk to inform the deputations in writing accordingly.

(Post-meeting note: Letters to the deputations were issued on 11 July 2001)

21. SITB said that the Panel meeting on 14 May 2001 had provided a very good opportunity to enable the Administration to collect useful views on the subject. She assured members that bridging the digital divide in society was an important work area of Information Technology and Broadcasting Bureau (ITBB) and various Government departments serving different client groups.

22. Miss Emily LAU enquired about the utilization of the Super Cyber Centre in Yaumatei and the feedback from the public on the computer facilities provided therein. In reply, the Assistant Director of Home Affairs (AD/HA) advised that since the Super Cyber Centre commenced operation in early June 2001, about 100 visits to the centre were recorded each day on average. Visitors to the centre were encouraged to provide comments and the management committee for the centre would conduct an overall review of the centre's operation three months later.

23. Miss Emily LAU considered the utilization rate rather low and enquired about the target utilization rate and measures to improve utilization. In reply, AD/HA advised that the Administration had not set a target utilization rate for the centre but would always work towards full utilization. Apart from individual members of the public, community organizations might also make use of the centre to conduct computer training courses. The Administration would further publicize the centre to improve its utilization.

24. SITB affirmed that the Administration was very much concerned that the centre would achieve the intended objective of enhancing the access of the public to computer facilities by providing such facilities free of charge at a conveniently accessible location. She assured members that ITBB, the Information Technology Services Department (ITSD) and the Home Affairs Department would closely monitor the operation of the centre and where appropriate, take measures to ensure effective utilization.

25. Mr Eric LI expressed appreciation for the efforts made by the Administration on bridging the digital divide and pointed out that the collaboration of non-governmental organizations (NGOs) was necessary to help disadvantaged groups assimilate the e-culture. In response, SITB confirmed that the Administration was working closely with NGOs in this regard and would conduct surveys on the use of IT in the various sectors of the community.

26. The Chairman referred to the suggestion of WebMasters (Hong Kong) Association that the Hong Kong Monetary Authority (HKMA) should issue guidelines to banks requiring them to provide a certain number of automatic teller machines for use by the blind and prohibiting them from charging the blind for using counter services. He said that according to feedbacks gathered from relevant organizations, the Hong Kong Association of Banks and the Deposit Taking Companies Association had not given any positive response to such requests. He suggested that ITBB and/or HKMA liaise with these associations with a view to seeking their cooperation. SITB agreed to follow up the matter.

Admin

27. Miss Emily LAU referred to the Administration's response that the most effective means for recipients of Comprehensive Social Security Assistance (CSSA) or low-income families to access computer facilities was to make use of the public computer facilities at various community centres, rehabilitation service units, multi-service centres for the elderly etc. In this connection, she asked whether CSSA recipients and low-income families had been duly informed of the availability of the public computer facilities. In reply, the Assistant Director of Social Welfare (AD/SW) advised that the CSSA Division of the Social Welfare Department (SWD) would advise CSSA recipients of the details of the Community Cyberpoints project where appropriate. Moreover, details of the project had been publicized through the membership network of social service centres. AD/SW further advised that CSSA recipients in need of a computer workstation at home could apply to SWD for financial assistance under a specific fund for procurement of the necessary computer facilities. Social service centres for different client groups might also apply for subsidies under different charitable funds administered by SWD to procure computer facilities and organize computer training courses.

28. In reply to Miss Emily LAU's further enquiry about the standards for the provision of computer facilities for social service centres under the charitable funds administered by SWD, AD/SW advised that there were standards for the types of

computer facilities for different client groups and the extent of sponsorship would depend on the circumstances of each case. In assessing each application for funds, SWD would consider the membership size of the service centre concerned, the usage of the requested computer facilities and the existing computer facilities available at the centre etc.

29. Mr YEUNG Yiu-chung expressed appreciation for the work of the Administration on bridging the digital divide. In reply to his enquiry about the expenditure on this area of work, SITB advised that so far, about \$2.2 billion had been spent on the various measures. She undertook to provide a summary of the expenditure on the measures to tackle digital divide after the meeting.

(Post-meeting note: The relevant information had been circulated to members vide LC Paper No. CB(1)1754/00-01.)

30. Mr YEUNG Yiu-chung referred to the response of the Administration that it was not necessary to separately set up a committee on digital divide but ITBB and ITSD would coordinate the work of existing individual task forces set up within various departments to address issues relating to digital divide. He sought elaboration on the coordination role of ITBB and ITSD. In response, SITB stressed that the Administration held the view that to tackle digital divide effectively, resources should be focused on the delivery of actual services rather than administrative or institutional formalities. She advised that ITBB was responsible for formulating the relevant policies and strategies. As individual task forces were in the best position to assess the needs of their client groups, they were tasked to implement the measures under their purview independently and were not required to submit regular reports to ITBB. However, ITBB and ITSD would provide assistance and coordination on technical or implementation problems encountered by individual task forces.

31. Miss Emily LAU enquired about the work to enable barrier free access to the Internet for people with disabilities. In reply, DS(ITB)2 said that the Administration had drawn up internal guidelines on web accessibility to facilitate access by the disabled to Government websites. The current target was that by 2002, all Government websites would be in compliance with the guidelines. To encourage public bodies and subvented organizations to adopt similar guidelines, the Administration had organized seminars and workshops for them. At the private sector level, the Administration was working in collaboration with the WebMasters (Hong Kong) Association to launch a campaign to promote the adoption of the guidelines in the private sector. DS(ITB)2 further advised that apart from enhancing the accessibility to the Internet for the disabled, the Government also provided computer facilities with Internet connection and assistive equipment for the visually-impaired at Community Cyberpoints and at social service centres.

IV Report of the Task Force on IT Manpower
(LC Paper No. CB(1)1732/00-01(01) & (02))

32. DS(ITB)2 made a power-point presentation on the draft report of the Task Force on IT Manpower (the Task Force).

33. In view of the global shortage of IT manpower and hence the demand for local IT talents from overseas countries as well, Mr Howard YOUNG asked whether the outflow of local IT personnel had been taken into account in assessing the demand and supply of IT manpower in Hong Kong. In reply, DS(ITB)2 advised that the Administration did not keep records on the outflow of local IT personnel to overseas countries and their return to Hong Kong. However, given the Government's vigorous policies on IT development and the flagship Cyberport project, Hong Kong should have an edge in attracting overseas, Mainland and local IT professionals to come/stay to work in Hong Kong. He added that the workshops and seminars on job opportunities in Hong Kong held in the Mainland recently had received very good response from Mainland IT professionals.

34. Miss Emily LAU queried why the Admission of Mainland Professionals Scheme had been promulgated well before the Task Force had completed its study. In response, DS(ITB)2 explained that before the promulgation of the aforesaid scheme, the shortage of IT manpower had been deliberated at length at the Task Force and at other forums. As there was an urgent need to meet the shortfall in IT manpower, the Administration considered it appropriate to implement the aforesaid scheme without awaiting the completion of the review by the Task Force.

35. Referring to the schemes adopted by other places for admission of IT professionals as set out in Annex F to the draft report of the Task Force, Miss Emily LAU enquired whether the Administration would consider further measures to encourage the entry of overseas IT professionals apart from streamlining the procedures for processing applications for work permits. In reply, DS(ITB)2 said that the Administration would review the existing immigration procedures regarding the admission of overseas IT professionals for employment. However, the matter had to be studied carefully as changes to the immigration procedures might have other policy implications.

36. Pointing out that overseas professionals coming to Hong Kong for employment were usually allowed to bring with them their family members, Mr Kenneth TING enquired whether the Administration would consider the same arrangement for Mainland professionals coming to work in Hong Kong. The Chairman said that according to his understanding, this arrangement applied to Mainland professionals admitted to Hong Kong under the Admission of Talents Scheme but not to those admitted under the Admission of Mainland Professionals Scheme. SITB said that the Administration would review this aspect in due course.

37. The Chairman said that at the meeting of the Panel on Commerce and Industry held in the morning of the same day, the Panel had been briefed on the report of the Small and Medium Enterprises (SMEs) Committee. It was revealed in the report that there was a strong demand among SMEs for IT personnel at below-degree levels. He suggested that ITBB also make reference to the report in formulating the strategies to address the IT manpower shortage problem.

38. In view of the urgent need to strengthen the supply of local IT manpower, the Chairman enquired whether the Administration would consider providing supplementary funding to enable local universities to increase the places of IT-related programmes in the coming academic year. In response, the Principal Assistant Secretary for Education and Manpower (PAS(EM)) advised that the financial provision for University Grants Committee (UGC)-funded institutions for the 2001/02 to 2003/04 triennium had already been approved by the Finance Committee in February this year. There was no plan to change the provision at present. However, all along, UGC-funded institutions were given certain discretion in redeploying resources among their programmes to meet changing needs. Moreover, the institutions were at liberty to run degree and sub-degree programmes on a self-financing basis. It was envisaged that a number of new post-secondary IT programmes would be offered in response to the increasing demand for IT personnel in the coming few years. She further confirmed that the increase in places of IT-related programmes would be examined in the context of the next triennial funding for 2004/05-2006/07.

39. The Chairman opined that the serious shortage of local IT manpower should warrant special consideration for supplementary provision for UGC-funded institutions to strengthen their IT-related programmes during the 2001/02 to 2003/04 triennium. Redeployment of resources by UGC-funded institutions to IT-related programmes at the expense of other programmes would not be a desirable solution as it might upset the balance in programme mix.

40. Miss Emily LAU pointed out that local students pursuing studies overseas were a valuable pool of talents for Hong Kong. She enquired about the number of these local young people and the channels through which they could readily obtain information about the economic development and job opportunities in Hong Kong. In reply, DS(ITB)2 advised that at this stage, the Administration did not have comprehensive information on the number and distribution of local young people pursuing IT studies overseas. However, ITBB would devise a structured programme to encourage local and Mainland students pursuing IT studies overseas to work in Hong Kong. In this regard, ITBB would make use of the network of the Government's overseas offices and visit prestigious overseas universities to disseminate information on the latest IT development of Hong Kong.

41. While expressing support for the initiative, Miss Emily LAU suggested that the Administration should also make use of the Internet to reach out to local and Mainland students studying overseas. Mr CHAN Kwok-keung suggested that the

Administration might make use of the websites of prestigious universities overseas to publicize information on the development of the information economy in Hong Kong.

Admin

42. Taking note of members' concerns and suggestions, SITB assured members that the Administration would work out a comprehensive strategy shortly to encourage Mainland and local students studying overseas to pursue an IT career in Hong Kong and would report the details to the Panel in due course. As a start, the Administration might make use of the Cyberport to establish linkages with local and Mainland students studying overseas. She also highlighted the importance of collaboration with the business sector in this regard.

43. There being no other business, the meeting ended at 4:28 pm.

Legislative Council Secretariat
3 September 2001