立法會
Legislative Council

LC Paper No. FC53/00-01
(These minutes have been
seen by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

Minutes of the 8th meeting
held at the Legislative Council Chamber
on Friday, 9 February 2001, at 2:30 pm

Members present:

Hon NG Leung-sing (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, JP
Hon Cyd HO Sau-lan
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, JP
Prof Hon NG Ching-fai
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kwok-keung
Hon CHAN Yuen-han
Hon CHAN Kam-lam
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, JP
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung

Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon LAU Wong-fat, GBS, JP
Hon Mrs Miriam LAU Kin-yee, JP
Hon Ambrose LAU Hon-chuen, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon Timothy FOK Tsun-ting, SBS, JP
Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon Henry WU King-cheong, BBS
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Dr Hon LO Wing-lok
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP

Members absent:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon David CHU Yu-lin
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon HUI Cheung-ching
Hon Bernard CHAN
Hon LI Fung-ying, JP
Hon LEUNG Fu-wah, MH, JP

Public officers attending:

Miss Denise YUE, JP	Secretary for the Treasury
Mr Stanley YING, JP	Deputy Secretary for the Treasury (1)
Mr K K LAM	Principal Executive Officer (General), Finance Bureau
Mr Thomas TSO, JP	Deputy Head, Central Policy Unit

Mr Danny LAU	Principal Assistant Secretary for Economic Services
Mr Albert K Y LAM, JP	Director-General of Civil Aviation
Mr W Y LEUNG	Assistant Director-General of Civil Aviation
Miss Jennifer MAK, JP	Deputy Secretary for the Civil Service
Mr William NG	Director, Civil Service Training and Development Institute
Mr Raymond YOUNG, JP	Deputy Secretary for Education and Manpower
Ms Michelle LI	Principal Assistant Secretary for Education and Manpower
Mr Peter CHEUNG, JP	Secretary-General, University Grants Committee

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1

Staff in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
Ms Sarah YUEN	Senior Assistant Secretary (1)4

As Dr Philip WONG was out of town, Mr NG Leung-sing, Deputy Chairman, chaired the meeting.

Item No. 1 - FCR(2000-01)67

RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE MADE ON 17 JANUARY 2001

2. On behalf of Members of the Democratic Party, Mr CHEUNG Man-kwong requested that EC(2000-01)25 be considered and voted on separately. The Deputy Chairman put FCR(2000-01)67, except EC(2000-01)25, to the vote. The Committee approved the proposal.

EC(2000-01)25 **Proposed creation of three permanent posts of one Administrative Officer Staff Grade B (D3), one Administrative Officer Staff Grade C (D2) and one Government Town Planner (D2) in the Central Policy Unit under the Offices of the Chief Secretary for Administration and the Financial Secretary of the Government Secretariat with effect from 1 March 2001 to maintain the Unit's on-going research and liaison activities and to provide secretariat services to the Commission on Strategic Development**

3. On behalf of Members of the Democratic Party, Mr CHEUNG Man-kwong said that they had voted against the item at the meeting of the Establishment Subcommittee concerned because of their queries on the work of the Commission on Strategic Development as already raised at the said meeting.

4. The Deputy Chairman put the item to vote. 33 members voted for the item, 11 voted against and one abstained -

For:

Mr Kenneth TING Woo-shou
Miss Cyd HO Sau-lan
Mr LEE Cheuk-yan
Prof NG Ching-fai
Mr CHAN Kwok-keung
Mr CHAN Kam-lam
Mr LEUNG Yiu-chung
Mr WONG Yung-kan
Mr Howard YOUNG
Mr LAU Chin-shek
Mr LAU Wong-fat
Mr Ambrose LAU Hon-chuen
Miss CHOY So-yuk
Dr TANG Siu-tong
Mr Henry WU King-cheong
Mr IP Kwok-him
Ms Audrey EU Yuet-mee
Mr James TIEN Pei-chun
Dr Raymond HO Chung-tai
Dr David LI Kwok-po
Mrs Selina CHOW LIANG Shuk-yee
Miss CHAN Yuen-han
Mrs Sophie LEUNG LAU Yau-fun
Mr Andrew WONG Wang-fat
Mr Jasper TSANG Yok-sing
Mr YEUNG Yiu-chung
Mr LAU Kong-wah
Mrs Miriam LAU Kin-yee
Miss Emily LAU Wai-hing
Mr TAM Yiu-chung
Mr Abraham SHEK Lai-him
Mr Tommy CHEUNG Yu-yan
Mr LAU Ping-cheung
(33 members)

Against:

Mr Albert HO Chun-yan
Mr Martin LEE Chu-ming
Mr James TO Kun-sun
Mr CHEUNG Man-kwong

Mr SIN Chung-kai
Dr YEUNG Sum
Mr Andrew CHENG Kar-foo
Mr SZETO Wah
Mr LAW Chi-kwong
Mr Albert CHAN Wai-yip
Mr WONG Sing-chi
(11 members)

Abstention:
Mr Michael MAK Kwok-fung
(1 member)

5. The Committee approved the item.

Item No. 2 - FCR(2000-01)68

RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 10 JANUARY 2001 AND 17 JANUARY 2001

6. The Committee approved the proposal.

Item No. 3 - FCR(2000-01)69

CAPITAL WORKS RESERVE FUND
HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT
Civil Aviation Department

- **New Subhead "Replacement of Route Surveillance Radar"**

7. Members noted that the present proposal was discussed at the meeting of the Panel on Economic Services on 16 January 2001.

8. Noting that the Route Surveillance Radar (RSR) was an essential tool for detecting aircraft positions, Mr CHEUNG Man-kwong expressed grave concern about flight safety during the four-month period between the decommissioning of the existing RSR at Mount Parker and the commissioning of the replacement radar. In response, the Director-General of Civil Aviation (DGCA) confirmed that the existing RSR to be replaced was only a part of the air traffic control (ATC) system at the Hong Kong International Airport (HKIA). During the aforesaid replacement period, air traffic controllers could still obtain information on aircraft positions from the remaining two primary surveillance radars and the secondary surveillance radars. For aircraft with no or unserviceable transponder which therefore could not be detected by the

secondary surveillance radars, control could be reverted to a non-radar mode with greater aircraft separation to maintain flight safety.

9. On the availability of other interim measures during the four-month replacement period, DGCA said that a mechanism was in place for the Civil Aviation Department to notify airlines and aircraft operators of the special arrangements during decommissioning of the existing RSR so that pilots would take extra care to ensure flight safety. Regarding Mr James TIEN's proposal to notify all aircraft flying in the vicinity of Hong Kong of the decommissioning of the existing RSR, DGCA confirmed that as a standing practice, every incoming aircraft would be informed if any major item of HKIA equipment was out of service.

10. On the percentage of aircraft with no transponders, DGCA said that basically, every civil aviation aircraft of a certain weight or with 30 seats or above would be required to install a transponder. Should any such transponder be out of service, the aircraft operator concerned should notify HKIA for arrangement be made to revert control to a non-radar mode with greater aircraft separation to maintain flight safety.

11. Mr CHEUNG Man-kwong was concerned about the safety of aircraft which, although without transponders, might for certain reasons decide not to notify HKIA of their approach. In this regard, Mr Howard YOUNG pointed out that such unidentified aircraft would likely be military aircraft. He therefore urged the Administration to also notify the governments or the civil aviation authorities of neighbouring countries of the decommissioning of the existing RSR so that they could in turn notify their own air forces. In reply, DGCA said that he could inform Government representatives accordingly at meetings of the International Civil Aviation Organization.

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12. Concerning the availability of radar on aircraft, DGCA advised that civil aviation aircraft was usually equipped with radar for monitoring the weather but not for air traffic control purposes. He however assured members that while some aircraft might not have transponders or radars, the special arrangements to be implemented during the replacement period would be an acceptable interim measure to safeguard flight safety.

13. As to the practices of other airports when implementing similar radar replacement projects, DGCA advised that under normal circumstances, the interim arrangements currently proposed would be adopted. An alternative option would be installing the replacement radar at another site before decommissioning the existing radar. However, this option was not recommended under the present project because it was not cost-effective.

14. The Committee approved the proposal.

Item No. 4 - FCR(2000-01)70

CAPITAL WORKS RESERVE FUND
HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT
Civil Aviation Department
- **New Subhead "Enhancement to Air Traffic Control Systems"**

15. Members noted that the present proposal was discussed at the meeting of the Panel on Economic Services on 16 January 2001.

16. While expressing support for the proposal, Miss Emily LAU sought clarification on whether that recent incidents relating to air traffic control had been caused by human errors resulting from insufficient training or rest, or due to equipment failure. In response, DGCA confirmed that such incidents were not directly related to shortcomings in equipment and that the existing system was effective. He nevertheless opined that with the enhancement of one of the six ATC systems, namely the Radar Simulator, the effectiveness of the training provided to ATC personnel would be improved.

17. The Committee approved the proposal.

Item No. 5 - FCR(2000-01)71

HEAD 29 - CIVIL SERVICE TRAINING AND DEVELOPMENT INSTITUTE
- **Subhead 700 General other non-recurrent**

New Item "Three-year Training and Development Programme to enhance training in the Civil Service"

18. Members noted that the present proposal was discussed at the meeting of the Panel on Public Service on 20 November 2000 and 15 January 2001.

19. Miss Emily LAU noted that by spending about $155 million in 2001-02 on service-wide training, around 420 000 training places would be offered, allowing every civil servant on average to be able to receive training at least twice a year. She enquired about the criteria for determining the amount of training to be provided and how it compared with that in the private sector. In reply, the Deputy Secretary for the Civil Service reported that according to the survey conducted by CSTDI in 1998-99, the average duration of training of civilian staff in the civil service was 4.6 days per annum which was comparable to that in the private sector. The Director, CSTDI supplemented that information on the private sector had been obtained from a survey conducted by the Hong Kong Institute of Human Resource Management in 1998, in which companies of different sizes had been taken as samples. As regards overseas

practice, he said that according to available information, civil servants overseas on average received three to four days of training a year.

20. The Committee approved the proposal.

Item No. 6 - FCR(2000-01)72

HEAD 190 - UNIVERSITY GRANTS COMMITTEE

- **Subhead 492 Grants to UGC-funded institutions**

21. Members noted that the Panel on Education had discussed the present proposal at its meeting on 15 January 2001.

22. Dr YEUNG Sum, Mr LAW Chi-kwong and Prof NG Ching-fai declared their interests as staff members of University Grants Committee (UGC)-funded institutions. Mr Frederick FUNG Kin-kee declared that he was a part-time lecturer at the School of Continuing and Professional Education of the City University of Hong Kong. The Deputy Chairman advised that members who did not receive direct pecuniary benefits from the UGC-funded institutions but who considered themselves as having an interest might also declare such interests when they spoke. He declared that he was a Member of the Council and the Court of Lingnan University.

23. As Chairman of the Education Panel, Dr YEUNG Sum informed members that Panel members had not indicated their position on the present proposal pending a special meeting with the Heads of the UGC-funded institutions originally scheduled for 3 February 2001 but which was subsequently cancelled as the Heads of the institutions would not attend the special meeting. Dr YEUNG stated that Members of the Democratic Party would object to the present proposal as further reduction in university funding would be detrimental to students, staff, and Hong Kong's development into a knowledge-based economy. He urged members not to support the present proposal and called on the Administration to re-consider its stance given its huge reserves.

24. Mr CHEUNG Man-kwong pointed out that the proposed recurrent funding for the 2001/02 to 2003/04 triennium at $36.2 billion already represented a reduction of over $2 billion when compared with the funding for the 1998/99 to 2000/01 triennium. Moreover, the UGC-funded institutions had been required to achieve a 10% reduction in student unit cost by the end of the current triennium. Mr CHEUNG considered the proposed funding arrangements unfair and incompatible with the Administration's objective of promoting higher education. He also queried the funding methodology adopted by the Administration which resulted in a funding level being $1 billion lower than that derived from the methodology used by UGC.

25. In response, the Deputy Secretary for Education and Manpower (DS(EM)) explained that the 10% point-to-point reduction in student unit cost had been agreed by the Government, UGC and the institutions concerned after lengthy negotiation. He stressed that as the full-effect of the 10% reduction was to be realised over a period of six years straddling the 1998/99 to 2000/01 and 2001/02 to 2003/04 triennia, the institutions should have sufficient time to re-deploy their resources and plan their activities accordingly. As such, the Administration believed that the 10% reduction should not have an adverse impact on the quality of university education. As regards the longer-term target of providing 60% of senior secondary school leavers with tertiary education, DS(EM) clarified that the said target did not mean a corresponding expansion of degree places in the UGC sector. Rather it was to increase opportunities for post-secondary education, mostly at sub-degree and higher diploma levels, for which a separate funding submission would be made.

26. In accounting for the reduction of some 3.9% (i.e. about $2 billion) in the funding requirement for the 2001/02 to 2003/04 triennium as compared to that for the 1998/99 to 2000/01 triennium, the Secretary-General, UGC (SG, UGC) gave the following breakdown:

(a)	The full triennial effect of the 10% point-to-point reduction in average student unit cost (half of the savings achieved were ploughed back to UGC to meet new developments)	2.5%
(b)	Deflation during the current 1998/99 to 2000/01 triennium	1%
(c)	Changes in student number targets between the current and the next triennium	0.4%

27. Professor NG Ching-fai pointed out that as staff cost accounted for the bulk of the universities' expenditure, staff cut-backs would be inevitable. Other members also expressed grave concern about widespread staff redundancy in the UGC-funded institutions as a result of reduced funding. In response, DS(EM) advised that the deployment of staffing resources and related work process re-engineering by individual institutions was very much a part of their operations and was within their autonomy. He pointed out that for the past 10 years or so, there was an increase of 324% in public expenditure on higher education. Since 1996, however, higher education had entered into a consolidation stage. DS(EM) added that the situation was akin to that of the public sector which had implemented measures such as the Enhanced Productivity Programme, but these measures had not affected the provision of public service or resulted in any large-scale redundancies.

28. Members noted that the Administration had adopted the overall student unit cost as the basis for determining the funding requirement for UGC-funded institutions while UGC had adopted the weighted student unit cost approach when allocating funding to individual institutions. They were concerned about the differential which was widening due to more higher degree courses being offered by universities. In response, DS(EM) advised that the Administration had agreed in principle that the student mix and the student unit cost by levels should be taken into account in determining funding. It would conduct a review as soon as possible so that a new mechanism would be in place when determining the next triennial funding for 2004/05 to 2006/07. Nevertheless, for the 2001/02 to 2003/04 triennium, the existing approach would continue to be used.

29. Members referred to petitions that they had received and expressed serious concern about the financial difficulties which the institutions might face. They also enquired about the assistance which would be provided to the institutions to help them cope with the reduction in recurrent grant. Professor NG Ching-fai indicated that he might not support the present proposal unless the Administration/UGC could assure him of concrete assistance to needy institutions.

30. In response, DS(EM) and SG, UGC advised as follows:

(a) If approval was given for institutions to carry up to 20% of their respective recurrent grant in a triennium to the next as reserves, then, some of the reserves in the Central Allocation Vote of the UGC could be disbursed to needy institutions to provide assistance and to improve their cash-flow situation.

(b) The Administration would make the best endeavour to meet part of the $1 billion resulting from the different funding methodologies adopted by the Administration and UGC. The Administration would consider providing funding in the order of $200 million to $300 million.

(c) Apart from the lump sum grant allocated directly to them, individual institutions could also receive funding from the various Grants administered by UGC for specific purposes such as research and language enhancement. Moreover, a sum of $700 million had also been reserved by UGC for disbursement to the institutions at a later stage, having regard to their performance and mission.

(d) If Finance Committee (FC) approved the supplementary provision of $522.4 million to meet the shortfall in the assumed tuition fee income of the institutions in the 2000/01 academic

year, the said amount could be disbursed to the institutions.

31. Addressing members' concern about the difficulties faced by Lingnan University as depicted by its President in an open letter, DS(EM) said that SG, UGC would further discuss the matter with Lingnan University. SG, UGC pointed out if the proposal to carry up to 20% of the institutions' respective recurrent grant to the next triennium was approved, UGC could consider releasing its central surplus to assist individual institutions with special difficulties.

32. On whether the Government, UGC and the institutions had reached an agreement on the proposed triennial funding, Mr CHEUNG Man-kwong queried that according to the Head of the Hong Kong University of Science and Technology, the institution was under the impression that funding for the 2001/02 to 2003/04 triennium would not be further reduced. In response, SG, UGC clarified that the point-to-point reduction formula as agreed between the Administration and the UGC allowed the 10% reduction in average student unit cost to be achieved progressively from 1998/99 onwards for completion by the final year of the 1998/99 to 2000/01 triennium (i.e. year 2000/01). There was no reduction further to the 10% reduction in average student unit cost thereafter. However, as the reduced average student unit cost achieved by the end of 2000/01 had become the new basis for calculating the funding requirement for the entire 2001/02 to 2003/04 triennium, the 2001/02 to 2003/04 triennium would have a lower funding level, resulting in further savings to Government and to the UGC in that triennium. In brief, the 2.5% reduction in Government funding for the 2001/02 to 2003/04 triennium as compared to that for the 1998/99 to 2000/01 triennium only reflected the full effect of a cost saving measure (i.e. the 10% reduction in student unit cost) already completed in the previous triennium and not new savings requirement. DS(EM) said that there might still be some misunderstanding on the part of the Heads of Institutions on the 10% point-to-point reduction and suggested that the UGC could explain the issue to them in greater detail.

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33. Mr YEUNG Yiu-chung said that Members of the Democratic Alliance for Betterment of Hong Kong attached utmost importance to the quality of education. Mr CHEUNG Man-kwong and Mr LAW Chi-kwong were concerned about large tutorial groups comprising some 300 students, lack of equipment for students' use, employment of part-time lecturing staff, non-renewal of contract staff, as well as a more limited choice of subjects available to students, all of which were not conducive to quality education. Mr Frederick FUNG also recalled from his personal experience that the General Education Unit of the University of Hong Kong had already been hard hit by the cut in funding for the current triennium. Miss Andrey EU Yuet-mee was further concerned that the universities would henceforth focus on more commercially viable disciplines such as IT programmes, at the expense of courses on liberal arts or humanities.

34. In response, SG, UGC highlighted that since triennial funding was provided to the institutions in one go, individual institutions should be able to plan and deploy their resources flexibly. While there might be isolated incidents of severe difficulties being caused, in general a degree of structural adjustment was inevitable in any productivity enhancement programme. SG, UGC further advised that when negotiating funding with the Government, UGC would see to it that the academic needs of the institutions and the manpower requirements forecast by the Education and Manpower Bureau would be catered for. Whilst UGC would not seek to micro-manage individual institutions, it would closely monitor their performance so as to ensure that the quality of university education would be maintained and enhanced. For example, UGC had conducted research assessment exercises on teaching staff and a Teaching and Learning Quality Process Review. It would also introduce in the next triennium a new mechanism to implement performance-and mission-related funding.

35. Mr LEUNG Yiu-chung referred to widespread concern about the decline in the quality of university graduates and urged that university education should not aim at creating an elite group. He doubted whether quality could be improved as a result of reduced funding. He also questioned how the various institutions were expected to cope with their financial difficulties.

36. In response, SG, UGC highlighted that the number of university places had increased from the previous 2% to the present 18% of the relevant age group. It was therefore understandable to have the impression that the overall quality of university graduates could not be compared to the graduates years ago. However, at the top end, today's graduates compared favourably with former graduates and in recent years the institutions had put in strenuous effort to improve quality overall. SG, UGC stressed that UGC had attached a lot of importance to quality and would not allow individual institutions to offer programmes which were not up to standard.

37. Mr LEE Cheuk-yan was unconvinced that reduced funding would not affect the quality of university education and he urged members not to support the proposal. He anticipated that in order to raise funds, universities would partner with the private sector and implement more joint-venture projects, at the expense of its teaching mission.

38. Whilst considering that there could be room for further savings at the UGC-funded institutions, Miss Emily LAU was gravely concerned about the relatively low level of public investment in education which might disadvantage Hong Kong in its sustainable development and undermine its competitiveness. Miss LAU recapitulated that subsequent to the cancellation of the Education Panel meeting on 3 February 2001, members had received many submissions from students and teaching staff, many of which had urged members to vote down the present proposal. However, in the absence of any

opportunity to exchange views with the affected parties, she considered that there was insufficient information for her to make an informed decision. She urged the Administration to withdraw the present proposal to enable the Education Panel to convene another meeting. She also urged the affected parties to come forward and make representations to the Panel.

39. In response, DS(EM) said that the funding exercise had been a protracted process and it was unlikely that a further meeting could resolve the issue. On public investment in education, DS(EM) advised that expenditure on education accounted for about 4% of Hong Kong's GDP and about one-third of which was for the tertiary sector. He stressed that such level of investment was not low by international comparison. Moreover, Government funding accounted for some 90% of the funding for universities in Hong Kong, whereas overseas, government funding only accounted for some 60 to 70%. He agreed to provide further information on overseas situations.

Admin

40. Mr Tommy CHEUNG Yu-yan stated that Members of the Liberal Party would support measures to save costs but were equally concerned about the possible impact on the quality of education and well-being of staff. Whilst he would welcome direct dialogue with the institutions, he sought clarification on whether the unspent funds or surplus of the institutions could in fact offset the 3.9% reduction in recurrent funding. In reply, DS(EM) advised that while the institutions had to face a reduction of 6% to 8% in funding, they had a reserve equivalent to 16% to 18% of the funding for the 1998 triennium, with allocated but unspent funds amounting to a few billion dollars in total. Finance Committee (FC)'s approval to raise the level of reserve to 20% would allow the institutions to retain the surplus. In response to Mr CHEUNG's further query, SG, UGC said that a substantial part of the funds had been earmarked for building, equipment and staff payments purposes and were not surplus to requirements.

41. Some members raised serious concerns about the role of UGC. Mr LAU Chin-shek and Miss Margaret NG queried its impartiality in defending the interests of the universities through its allocation of resources. Miss NG referred to a past case in which UGC proposed to cut funding for the Postgraduate Certificate on Laws programme. The move was subsequently withheld in the face of opposition from university staff, the two law associations and the Panel on Administration of Justice and Legal Services. Mr Andrew WONG queried whether UGC was in fact implementing agreed government policies on higher education. Miss Audrey EU Yuet-mee further said that it might be more advisable for UGC to first reach an agreement with individual institutions before submitting the funding proposal to FC.

42. In response, SG, UGC emphasized that UGC played an intermediary role. It represented the tertiary education sector to negotiate with the Government for overall funding and was responsible for the direct allocation of

recurrent grant to individual institutions. In its negotiation for triennial funding with the Government over the past 1½ years, there had been gives and takes. However, when the total funding had finally been agreed by both parties, it should be abided by. SG, UGC reiterated the UGC's stance that it hoped the Government would adopt the weighted student unit cost approach in calculating the next triennial funding, and was pleased to note the Administration's positive response. In this connection, members noted that details on the allocation of funding to institutions were provided in a 1996 publication entitled "Higher Education in Hong Kong". SG, UGC highlighted the independence of UGC as a non-government body comprising mainly academics and socially renowned persons to safeguard institutional autonomy and academic freedom. He remarked that under the existing arrangement, the various institutions did place considerable trust in UGC in representing their interests.

43. Mr LAU Chin-shek declared that he was a Member of the Court of the University of Hong Kong and said that he could not support the present proposal. Pending further consideration of the views and concerns expressed by the universities, Miss Margaret NG said that she would not support the present proposal at this meeting if the Administration declined to withdraw it.

44. Having regard to members' views and concerns, the Deputy Secretary for the Treasury withdrew the proposal.

45. The proposal was withdrawn by the Administration.

46. The Committee was adjourned at 4:40 pm.

Legislative Council Secretariat
25 May 2001