

**Legislative Council**  
**Panel on Commerce and Industry**

**Application Procedures of the**  
**Professional Services Development Assistance Scheme**

**Purpose**

This paper informs Members of some changes to the application procedures for the Professional Services Development Assistance Scheme (PSDAS) in response to the suggestions made by this Panel.

**Background**

2. The PSDAS started operation in February 2002 after the Finance Committee approved in January 2002 the allocation of \$100 million to set up the Scheme. The objective of the PSDAS is to provide financial support for eligible professional services sectors<sup>1</sup> to organise projects which aim at enhancing their professional standards and external competitiveness. The Scheme is open for applications by non-profit-distributing professional bodies, trade and industry organisations and research institutes. The PSDAS operates on a dollar-for-dollar matching basis, and provides grants of up to a maximum of \$2 million for each project.

3. Since the commencement of the PSDAS in 2002, we have reviewed the operation and effectiveness of the Scheme and reported the findings of the two reviews to this Panel on 18 July 2003 (LC Paper No. CB(1)2208/02-03(04)) and 17 May 2005 (LC Paper No. CB(1)1496/04-05(04)) respectively.

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<sup>1</sup> The eligible professional services sectors are : accounting; legal; architecture and landscape architecture; building and construction; engineering; planning; project development and project finance; real estate (including agency services, facilities management and valuation); surveying; medical and dental (including Chinese medicine); veterinary; para-medical; design; business consultancy (including human resources management consultancy; management consultancy; information technology consultancy; financial consultancy); waste management and environmental consultancy services.

4. At its meeting on 17 May 2005, the Panel concluded that the PSDAS was a useful scheme in enhancing the standards and external competitiveness of the professional services sectors concerned. Some Members suggested that the Administration should consider further improving the application procedures of the Scheme in the following two areas -

- (a) the existing frequency of inviting applications (i.e. three times a year) should be increased to further facilitate application by professional bodies; and
- (b) the existing restriction on the number of applications made by an applicant in each round (ie. no more than two applications) should be lifted, as the restriction may create difficulty for tertiary institutions which comprise a number of research institutes in different faculties/ departments.

### **Changes to the Application Procedures**

5. We have consulted the Vetting Committee<sup>2</sup> of the PSDAS on the suggestions made by this Panel. The Vetting Committee has endorsed the new arrangements as set out in the following paragraphs.

#### Frequency of inviting applications

6. In accordance with the recommendation of the operation review reported to this Panel on 18 July 2003, the frequency of inviting applications was increased from two to three times a year and urgent applications, if justified, are accepted any time since August 2003. Our contacts with the professional bodies concerned indicate that they have no major difficulties with the current application cycle (i.e. calls for applications in December, April and August of the year).

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<sup>2</sup> The Vetting Committee comprises a non-official Chairman and 14 non-official members appointed by the Chief Executive and one official representative.

7. Having regard to the suggestion made by this Panel in paragraph 4(a) and the current arrangements of some other Government funding schemes, the Vetting Committee has agreed to increase the frequency of inviting applications to four times a year on a pilot basis. We will assess the impact of the new application cycle (i.e. calls for applications in January, April, July and October of the year) on the submission patterns of applicants and the efficiency of the Vetting Committee in processing the applications before deciding whether to make the change permanent.

Restriction on the number of applications by an applicant

8. Each applicant is currently allowed to submit at most two applications in each round of invitation for applications. The total number of submissions should not exceed eight applications in 12 consecutive months for each applicant. The purpose of the restrictions is to ensure that the applicants have sufficient resources to implement properly the projects funded by the PSDAS and that more organizations can benefit from the Scheme.

9. Having regard to the suggestion made by this Panel in paragraph 4(b) and the possible constraint the restriction may pose to those institutions that comprise a large number of independent units e.g. universities, the Vetting Committee has agreed to lift the current restriction of no more than two applications by each applicant in each round of applications. The Vetting Committee has further decided to increase the total number of applications that each applicant may submit in 12 consecutive months from eight to ten, so as to provide more flexibility to applicants.

10. The proposed changes set out in paragraphs 7 and 9 will take effect from 1 August 2006.