

ITEM FOR FINANCE COMMITTEE

HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION AND MANPOWER BUREAU

Subhead 700 General non-recurrent

New Item “Grant to Hong Kong Shue Yan University for establishing a General Development Fund”

Members are invited to approve a new commitment of \$200 million for providing a one-off grant to Hong Kong Shue Yan University for establishing a General Development Fund.

PROBLEM

The efforts of Hong Kong Shue Yan University (HKSU) in sustaining its excellence as an institution of higher learning through enhancement of campus facilities and promotion of academic and staff development deserve support from the Government.

PROPOSAL

2. The Secretary for Education and Manpower (SEM) proposes to provide a one-off grant of \$200 million to HKSU for establishing a General Development Fund to sustain its development into a modern and quality private university.

JUSTIFICATION

3. At the meeting of the Executive Council on 19 December 2006, the Chief Executive in Council approved Hong Kong Shue Yan College’s application to change its English and Chinese titles to “Hong Kong Shue Yan University” and “香港樹仁大學” respectively. The upgrading of HKSU as the first private university in Hong Kong was a recognition of its efforts, dedication and contributions to the higher education sector over the past 35 years.

4. To strive for excellence as a modern private university, HKSU has undertaken to devote additional resources to further improve its academic planning and resource strategies, and to upgrade its campus facilities. In recognition of its pursuit of academic excellence and commitment to on-going improvements, the Administration proposes to provide a one-off grant of \$200 million to HKSU for the establishment of a General Development Fund. The proposed Fund will complement HKSU's efforts in the broad areas as set out in the ensuing paragraphs.

Enhancing Campus Facilities and Learning Resources

5. HKSU has been improving and upgrading its campus facilities since it moved to its current campus in Braemar Hill, North Point, in 1986. As the Main Building of HKSU was constructed about 20 years ago, the main teaching and learning facilities such as the main auditorium, lecture theatres and computer rooms are in need of refurbishment and upgrading. HKSU has undertaken to implement major renovation projects and enhancement measures to upgrade its campus buildings and facilities. For example, it has already renovated the ground floor of the Lady Lily Shaw Hall earlier this year to provide additional recreational and study space for students. It is also planning to refurbish its Assembly Hall, lecture theatres and classrooms by replacing the air-conditioning systems, installing lighting and sound systems as well as improving the acoustics fittings.

6. Taking into account the recommendations of the Hong Kong Council for Academic Accreditation (HKCAA) in the Institutional Review conducted in 2006, HKSU is also planning to make available additional designated rooms as well as upgrade its library collection and information technology (IT) facilities for students' use. Initiatives being planned include the establishment of a Media Centre and a Language Learning Centre in the library to enable students to enhance their language skills through self-learning. To enable better use of IT in teaching and learning, HKSU proposes to upgrade its IT infrastructure (e.g. backbone computer network, computer servers and end-user computers) as well as develop e-learning software and web-based learning platforms. It also proposes to streamline its administrative processes through the use of technology such as introducing the use of Smart Student Identity Cards, customised online registry service for students, computerised scheduling and filing systems for university management, etc. Through continuous enhancement of campus facilities and learning resources, HKSU seeks to promote a more active campus life and improve the learning experience of and support for students.

Supporting Academic and Staff Development

7. HKSYU is producing a Five-Year Academic Plan with input from staff at departmental and college levels to ensure that its programmes are responsive to the changing needs of society. Through such academic planning exercises, HKSYU will be able to evaluate past experiences and position itself more strategically having regard to its strengths and niches. In this connection, HKSYU has established a Departmental and Programme Resourcing Committee to provide a forum for inter-departmental exchanges on the specific needs and requirements of 11 individual departments.

8. HKSYU considers that professional development and upgrading is an indispensable part in enhancing the quality of teaching and course delivery. Although HKSYU has already established a strong team of academic and supporting staff, it is fully committed to supporting its staff's continuous development, for example, by encouraging them to undertake further academic studies and continuous learning programmes. Moreover, to promote professional development among staff, HKSYU has introduced a Teaching Development Initiative Programme and launched an Interactive Learning Network to promote experience sharing and use of web-based resources to enhance pedagogical performances. Following its upgrading to a private university, HKSYU plans to implement further initiatives to upgrade its academic and pedagogical standards.

Need for the proposed General Development Fund

9. The various initiatives above would bring significant improvements to the teaching and learning facilities of HKSYU, but at the same time would require substantial financial commitment. HKSYU has drawn up preliminary plans for the various initiatives above, with an estimated annual expenditure of about \$14.5 million in the coming few years as follows –

	Item	Estimated annual expenditure (\$ million)
(A) Refurbishment and upgrading of campus facilities	8.00	
(B) Enhancement of IT and library facilities	4.00	
(C) Academic development	1.25	
(D) Staff development	1.25	
	Total	14.50

10. To support HKSU in taking forward these initiatives, we propose to provide a one-off grant for the establishment of a General Development Fund. The proposed Fund is expected to generate stable income^{Note} to complement HKSU's on-going efforts in improving its campus facilities and learning resources for the benefit of the students. Students will also benefit from better academic planning and professional development of the teaching staff. The proposed Fund would enable HKSU to take forward its developmental activities on a long-term basis. It also represents Government's recognition of HKSU's efforts in pursuing academic excellence over the years.

11. Specifically, we propose that HKSU should be allowed to manage the proposed Fund in accordance with the guidelines to be drawn up by its University Council, and be required to present annual reports and audited accounts to the Council and the Board of Governors for review. As the above-mentioned initiatives will be implemented on a continuous and developmental basis and to ensure sustainability of the proposed Fund, we propose that the use of the proposed Fund will be subject to the following conditions –

- (a) in general, only income generated from the proposed Fund should be used;
- (b) funds can be drawn from the capital sum only if there are full justifications (including a concrete plan on how the amount proposed to be drawn down can be restored), and prior approval of SEM has been obtained; and
- (c) in no circumstances should the capital sum be allowed to fall below \$100 million.

12. Under the Post Secondary Colleges Regulations (Cap. 320A), the University Council is required to keep correct and adequate accounts of all income and expenditure. Besides that requirement and those set out in paragraph 11 above, we do not propose that the Government should impose any additional reporting requirement on the use of the proposed Fund. This will help preserve the independence and flexibility of HKSU as a private university.

/FINANCIAL

Note By investing the funding of \$200 million in low-risk investment products and assuming an investment return of about 5% per annum, the General Development Fund could generate about \$10 million per annum which should provide a good source of funding to complement HKSU's efforts in taking forward its planned initiatives, as set out in paragraphs 5 to 8 above.

FINANCIAL IMPLICATIONS

13. Subject to Members' approval, we will create a non-recurrent commitment of \$200 million to provide a one-off grant of the same amount to HKSU for the establishment of a General Development Fund.

14. The proposal does not have any recurrent consequences. Except for refund of rates and government rent, HKSU currently does not receive recurrent subvention from the Government. Indeed, as a matter of policy, the Administration will not provide recurrent funding to private universities operated on a self-financing basis.

PUBLIC CONSULTATION

15. We consulted the Legislative Council Panel on Education on the funding proposal at its meeting on 8 January 2007. Members were supportive of the funding proposal. Some Members suggested that the Government and HKSU should explore measures to enhance the research capabilities of HKSU in the long term.

BACKGROUND

16. Hong Kong Shue Yan College was established in 1971 as a private liberal arts college. Since 2001, it has been offering ten honours degree programmes, all of which have been accredited by the HKCAA and approved by the Chief Executive in Council. HKSU currently has over 3 000 full-time students pursuing degree programmes in three major disciplines (namely Arts, Social Sciences and Commerce).
