

**For discussion
on 8 January 2007**

Legislative Council Panel on Education

GRANT TO THE HONG KONG SHUE YAN UNIVERSITY FOR ESTABLISHING A GENERAL DEVELOPMENT FUND

Purpose

This paper proposes the provision of a one-off grant of \$200 million to Hong Kong Shue Yan University (HKSYU) for establishing a General Development Fund to support its academic development and campus enhancement initiatives.

Background

2. The 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 Hong Kong Council for Academic Accreditation (HKCAA) and approved by the Chief Executive in Council. The College currently has over 3 000 full-time students pursuing degree programmes in three major disciplines (namely Arts, Social Sciences and Commerce).

3. To assess whether the College's academic and institutional structures have met the standards expected of a university, the College invited HKCAA to conduct an Institutional Review (IR) in 2006. The HKCAA concluded that the College's internal governance and quality assurance (QA) structures befit the status of a university. At the meeting of the Executive Council on 19 December 2006, the Chief Executive in Council approved the College's application to change its English and Chinese titles to "Hong Kong Shue Yan University" and "香港樹仁大學" respectively. A Legislative Council Brief has been issued to Members on the same day.

4. To strive for excellence as a modern private university, HKSYU 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 HKSYU for the establishment of a General Development Fund to sustain its development into a modern and quality private university.

The Proposal

5. The proposed General Development Fund will complement HKSYU's efforts in the following broad areas:

(i) Enhancing Campus Facilities and Learning Resources

6. HKSYU has been improving and upgrading its campus facilities since it moved to Braemar Hill, North Point, in 1986. As the Main Building of HKSYU was constructed 20 years ago, the main teaching and learning facilities such as the main auditorium, the lecture theatres and computer rooms are in need of refurbishment and upgrading. HKSYU 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, theatres and classrooms by replacing the air-conditioning system, installing light and sound systems as well as improving the acoustics fittings.

7. Taking into account HKCAA's recommendations, HKSYU will also 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, HKSYU proposes to upgrade its IT infrastructure (e.g. backbone, servers and 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, customized registry service, computerized scheduling and filing systems, etc. Through continuous enhancement of campus facilities and learning resources, HKSYU seeks to promote a more active campus life and improve the learning experience of and support for students.

(ii) Supporting Academic and Staff Development

8. 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 individual departments.

9. 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 (TDIP) and launched an Interactive Learning Network (ILN) to promote experience-sharing and use of web-based resources to enhance pedagogical performances. Following its upgrading as a private university, HKSYU plans to implement further initiatives to upgrade its academic and pedagogical standards.

Funding Arrangement

10. The various initiatives above would bring significant improvements to the teaching and learning facilities of HKSYU. To support HKSYU in taking forward these initiatives, we propose to

provide a one-off grant for the establishment of a General Development Fund. The Fund is expected to generate stable income to complement HKSYU'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 one-off grant for the establishment of a General Development Fund would enable HKSYU to take forward its developmental activities on a long-term basis. It also represents the Government's recognition of the efforts HKSYU has made over the years in pursuing academic excellence.

11. Specifically, it is proposed that HKSYU 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 Fund, it is proposed that the use of the Fund will be subject to the following conditions –

- (a) in general, only income generated from the Fund should be used¹;
- (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 the Secretary for Education and Manpower (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

¹ By investing \$200 million grant in a low-risk investment products and assuming an investment return of 5% per annum, the General Development Fund could generate about \$10 million per annum which should provide a good source of funding to complement HKSYU's efforts in taking forward its planned initiatives, as set out in paragraphs 6 to 9 above.

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 Fund. This will help preserve the independence and flexibility of the HKSYU as a private university.

Financial implications

13. The proposal involves the provision of a one-off grant of \$200 million for the establishment of a General Development Fund for HKSYU. The proposal does not have any recurrent consequences. Except for refund of rates and government rents, HKSYU 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.

Way forward

14. Subject to Members' views, we will seek the approval of the Finance Committee for the proposed one-off grant of \$200 million to HKSYU.

Education and Manpower Bureau
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