

**立法會**  
**Legislative Council**

LC Paper No. CB(2)1003/08-09  
(The minutes have been seen by  
the Administration)

Ref : CB2/PL/ED

**Panel on Education**

**Minutes of meeting**  
**held on Monday, 9 February 2009, at 4:30 pm**  
**in the Chamber of the Legislative Council Building**

- Members present** : Hon Cyd HO Sau-lan (Chairman)  
Dr Hon Priscilla LEUNG Mei-fun (Deputy Chairman)  
Hon LEE Cheuk-yan  
Hon CHEUNG Man-kwong  
Hon TAM Yiu-chung, GBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Prof Hon Patrick LAU Sau-shing, SBS, JP  
Hon Starry LEE Wai-king  
Hon WONG Sing-chi  
Hon WONG Yuk-man  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Dr Hon Samson TAM Wai-ho, JP
- Member attending** : Hon LI Fung-ying, BBS, JP
- Members absent** : Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Tanya CHAN
- Public Officers attending** : Agenda item IV  
Mr Kenneth CHEN, JP  
Under Secretary for Education

Mr Michael V Stone  
Secretary-General, University Grants Committee

Ms Amy WONG  
Principal Assistant Secretary (Higher Education)

Agenda item V

Mr Kenneth CHEN, JP  
Under Secretary for Education

Ms Esther LEUNG, JP  
Deputy Secretary for Education (6)

Mr LI Wing  
Controller, Student Financial Assistance Agency

Agenda item VI

Mr Kenneth CHEN, JP  
Under Secretary for Education

Ms Amy WONG  
Principal Assistant Secretary (Higher Education)

Mr Michael V Stone  
Secretary-General, University Grants Committee

Mr Derek LEE  
Assistant Secretary-General (Quality Assurance)1,  
University Grants Committee

**Attendance by invitation** : Agenda item IV

City University of Hong Kong

Professor KUO Way  
President and University Distinguished Professor

Dr Ellen KO LAW Yin-lan  
Vice-President (Finance & Administration)

Professor Julia TAO LAI Po-wah  
Acting Vice-President (Development and External  
Relation) & Chief-of-Staff

Professor Christian WAGNER  
Professor

Mr WONG Ka-yu  
Director of of Facilities Management

Mr FUNG Siu-man  
Associate Director of Facilities Management

Agenda item VI

Lingnan University

Mr LI Kam-kee  
Director of Administration/Secretary to the Council and  
the Court

The Chinese University of Hong Kong

Mr Jacob LEUNG  
Secretary of the University

Mrs Sophie LAU  
Director of Personnel

Hong Kong Baptist University

Mr CHIU Ping-kwan  
Director of General Administration

Miss LEUNG Pui-man  
Acting Director of Personnel

City University of Hong Kong

Dr Ellen KO LAW Yin-lan  
Vice-President (Finance & Administration)

Mrs Eva NG LI Yee-wah  
Acting Director of Human Resources

Mr John Dockerill  
Secretary to Council

The Hong Kong Polytechnic University

Mr Alan LI  
Director of Human Resources

The Hong Kong University of Science and Technology

Ms Yvonne HO  
Director of Human Resources

Mrs Catherine LAI  
Director, Court, Council & Senate Secretariat

The Hong Kong Institute of Education

Mr Chris MONG Chan  
Vice President (Administration) and Secretary to  
Council

The University of Hong Kong

Mr Henry W K WAI  
Registrar

Miss Dora K M YUE  
Assistant Registrar

Federation of Hong Kong Higher Education Staff  
Associations

Mr SHUM Kar-ping  
Chairman

Staff Association of The Chinese University of Hong  
Kong

Mr Anthony KWOK Wai-leung  
President

Ms Maria LAU Lai-chi  
Secretary

The Chinese University of Hong Kong Employee's  
General Union

Mr Alan CHO  
Vice-president

Hong Kong Professional Teachers' Union

Mr FUNG Wai-wah  
Vice-President (Internal Affairs)

City University of Hong Kong Teachers' Union

Dr CHENG Lee-ming  
President

Mr Nicholas TAM Pui-ho  
Chairman

Mr WONG Juen-kon

The University of Hong Kong Staff Association

Dr YANG Mo  
Vice-President

The Hong Kong Polytechnic University Staff  
Association

Dr Joseph LEE  
Vice-Chairman

Mr Justin LAW King-wai  
Treasurer

The University of Hong Kong Academic Staff  
Association

Mr CHAN Che-wai  
Chairman

Mr SZE Wing-suen  
Member

University of Hong Kong Employees Union

Mr CHU Kee-tung  
Chairman

Hong Kong Baptist University of Faculty and Staff Union

Dr CHAN Sze-chi  
Executive Committee Member

Mr TO Yiu-ming  
Spokesperson

Academic Staff Association, The Hong Kong Institute of Education

Dr LEUNG Yan-wing  
Associate Professor

Dr WONG Ping-ho  
Associate Professor

Hong Kong Federation of Students

Mr LI Yiu-kee  
Secretary General

The Teachers' Association, The Chinese University of Hong Kong

Professor WONG Chi-sum  
Treasurer

The Staff Association of the Open University of Hong Kong

Dr YEUNG Ping-kwong

Mr CHOW Pak-kiu

CUHK Alumni Concern Group

Mr MAU Chi-wang  
Member

Mr Raymond LUK Yiu-man  
Member

The League of University Unions

Miss Emily NG  
Vice-Chairperson

**Clerk in attendance** : Miss Odelia LEUNG  
Chief Council Secretary (2)6

**Staff in attendance** : Mr Stanley MA  
Senior Council Secretary (2)8

Miss Jenny LEE  
Legislative Assistant (2)6 (Acting)

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**I. Confirmation of minutes**

[LC Paper No. CB(2)769/08-09]

The minutes of the meeting held on 12 January 2009 were confirmed.

**II. Information paper(s) issued since the last meeting**

2. Members noted the Administration's response to the paper provided by Mrs Regina IP LAU Suk-yea concerning the Chinese translation of "critical thinking" [LC Paper No. CB(2)692/08-09(01)].

3. Mrs Regina IP expressed dissatisfaction with the Administration's reply which, in her view, was without justifications. She opined that the Administration had refused to admit its fault and to accept a better Chinese translation of "critical thinking". She pointed out that the Chinese translation of the term as "明辨性思考" or "分辨性思考" had been published in the Ming Pao Daily News and were considered by some renowned academics as the more appropriate translation. She indicated that she would continue to follow up the matter.

[*Post meeting note* : A letter from Mrs Regina IP dated 23 March 2009 requesting an amendment to the paragraph is in the Appendix.]

**III. Items for discussion at the next meeting**

[Appendices I and II to LC Paper No. CB(2)771/08-09]

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4. Members noted the following items proposed by the Administration for the next regular meeting on 9 March 2009 -

- (a) progress of implementation of incorporated management committees (IMCs) in schools;
- (b) extension of the Early Retirement Scheme for Aided Secondary School Teachers; and
- (c) capital works projects of the University Grants Committee (UGC)-funded institutions.

5. The Chairman said that as the new academic structure would be implemented from the 2009-2010 school year onwards, the Panel should discuss its preparation work and receive views from deputations.

6. Mr CHEUNG Man-kwong pointed out that the statutory deadline for the submission of a draft constitution to the Permanent Secretary for Education for the establishment of IMCs in aided schools would expire by 1 July 2009, and any resolution to extend its deadline had to be moved before that day, as provided in the relevant Ordinance. He considered it necessary for the Panel to discuss the implementation of IMCs in schools with the major school sponsoring bodies as early as practicable. Mr CHEUNG also suggested that as the Pre-primary Education Voucher Scheme had been implemented for a year and a half, the Panel should revisit the subject matter and receive views from deputations.

7. Members agreed that in addition to the regular meeting, one or two special meetings would be held in March 2009 to discuss the above suggested subject matters. The Chairman said that she would discuss with the Clerk on the detailed arrangements.

*[Post-meeting note : It was decided that the Panel would discuss the two subject matters in paragraph 4(b) and (c) above at the regular meeting and hold two special meetings on 20 and 30 March 2009. The former meeting would discuss the Pre-primary Education Voucher Scheme, whereas the latter meeting would discuss the progress of the implementation of IMCs in schools and the preparation for the implementation of the new academic structure.]*

**IV. Capital works project of the University Grants Committee-funded institutions - Academic and Administration Building, City University of Hong Kong**

[LC Paper Nos. CB(2)771/08-09(01) and (02), and CB(2)793/08-09(01)]

8. Members noted the updated background brief prepared by the LegCo

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Secretariat on the subject.

Powerpoint presentation by City University of Hong Kong (CityU)

9. Professor KUO Way, President of CityU and Dr Ellen KO, Vice-President (Finance & Administration) made a powerpoint presentation to explain the capital works project to develop the new academic and administration building (the Project) within the campus of CityU as detailed in the Administration's paper. Members noted that the powerpoint presentation materials had been provided by CityU to the Panel before the meeting.

Provision of greenery

10. Professor Patrick LAU expressed support for the Project. Referring to the site plan in Enclosure 1 to the Administration's paper, he noted with concern the lack of information about the removal and planting of trees along the pedestrian passage in Tat Chee Avenue.

11. Dr Ellen KO responded that the Project comprised a high-rise block located at an existing open carpark site and a connecting low-rise block on an existing elevated service road over a nullah which ran beneath the site. The selected site was the only available site within the existing campus for the Project and some trees would be affected. It was planned under the Project to provide greenery at the podium and plant trees in the pedestrian passage along Tat Chee Avenue, although such information had not been adequately reflected in the site plan.

12. Professor Patrick LAU requested CityU to ensure adequate space be reserved for the planting of trees and to provide details on the provision of greenery under the Project in the Administration's submission to the Public Works Subcommittee (PWSC) for consideration. Dr Ellen KO agreed.

13. Dr Priscilla LEUNG declared interest as a teaching staff member of CityU. She expressed support for the Project, in particular the provision of greenery. She pointed out that CityU was adjoined to Yau Yat Chuen and Shek Kip Mei, the districts resided by the rich and the poor respectively. She asked how the Project would help revitalize the local community.

14. Dr Ellen KO responded that the Project would provide greenery as outlined in the powerpoint presentation. There would be a garden in the podium of the low-rise block and study space and support facilities for students to learn in a lively and green environment which could be made accessible to youngsters residing in the vicinity at an appropriate time, where resources permitted.

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Height of the Project

15. Mr Tommy CHEUNG was concerned about the height of the high-rise block which might not be in harmony with the surrounding environment. He enquired whether the local residents and the Sham Shui Po District Council (SSPDC) had been consulted on the Project.

16. In response, Dr Ellen KO said that the ridge line of Beacon Hill was 150 metres above the principal datum (mpd), the CityU student hostel about 135 mpd and the high-rise block about 120 mpd. As such, although the high-rise block had 20 storeys, given its position on the slope, opposite to the Festival Walk which was 70 mpd, the views of the nearby residents would not be affected. The buildings were gradually stepping downwards when viewed from Lung Cheung Road. SSPDC was consulted on the Project in September 2008. Reflecting the views of local residents, some SSPDC members had raised concern about the height of the high-rise block. However, after having a better understanding of the details of the Project, SSPDC members expressed support for the Project and hoped that it would become the landmark of the Sham Shui Po District.

Conclusion

17. The Chairman thanked CityU for having organized an informal meeting to brief members on the Project prior to its submission to the Panel for consideration. Ms Audrey EU echoed the Chairman's view that the informal meeting was very useful. Mr CHEUNG Man-kwong expressed support for the Project. Concluding the discussion, the Chairman summed up that the Panel supported the submission of the proposal for the Project to PWSC for consideration at its meeting on 8 April 2009.

**V. Non-means-tested Loan Schemes for Post-secondary Students**

[LC Paper Nos. CB(2)771/08-09(03) and (04), and CB(2)793/08-09(02)]

18. Members noted the background brief prepared by the LegCo Secretariat and the submission from the Hong Kong Federation of Students on non-means-tested loan schemes for post-secondary students.

Briefing by the Administration

19. Under Secretary for Education (USED) highlighted that in the 2007-2008 academic year, the Administration had disbursed a total of \$2.6 billion of grants and means-tested and non-means-tested loans. He stressed that of those loan borrowers who had repayment difficulty and applied to the Student Financial Assistance Agency (SFAA) for assistance in the 2007-2008 school year, 70% of the applications were approved. The proposal to remove the

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risk-adjusted factor (RAF) of 1.5% would only reduce the repayment amount of each student by \$100 per month on average but it would cost \$77 million to taxpayers on an annual basis. USED added that the Administration considered it not an appropriate time to remove the RAF. SFAA would continue to deal with individual requests for deferment of loan repayment or adjustment of quarterly repayment amount with flexibility.

Default situation

20. Referring to the table in paragraph 16 of the Administration's paper, Mr WONG Sing-chi considered it misleading to use the accumulated total number of defaulting accounts to illustrate the default situation. As he understood, there were only 87 default cases in the 2006-2007 academic year and the amount involved was about \$15 million but the income generated from the RAF was about \$48 million in the same year. Given less than a hundred default cases in each of the past few years and the purpose of borrowing the loans to pursue education, he questioned the need to maintain the RAF under the various non-means-tested loan schemes.

21. Mr LEE Cheuk-yan considered that the Administration should first review the criteria for granting means-tested grants and loans as the social and economic circumstances had changed in the past decade with a view to benefiting more needy families and students, and then review the interest rate for the various non-means-tested loan schemes. He noted with concern that the percentage of defaulting accounts under the Extended Non-means-tested Loan Scheme (ENLS) was higher than those under the Non-Means-tested Loan Scheme (NLS) and the Non-means-tested Loan Scheme for Post-secondary Students (NLSPS). He opined that as loan borrowers under ENLS were mostly adults, the defaulting accounts under ENLS should be separate from those under NLS and NLSPS which were applicable to full-time students pursuing publicly-funded or locally accredited self-financing programmes.

22. Mr CHEUNG Man-kwong said that he had all along objected to the imposition of the RAF for the various non-means-tested loan schemes. He stressed that each borrower had the obligation to repay the loan. In his view, students who had made repayments on schedule should be reimbursed with the interest accrued under the RAF, and for full-time students, loan interest should be accrued only upon their graduation. He considered that the fundamental issue was the current criteria for the provision of means-tested grants and loans. He pointed out that these criteria, in particular the method of calculating the level of expenses of students under low-interest loan schemes, had not been reviewed for 20 years. Many items which had become a necessity nowadays, such as computer expenses and property mortgage repayments, were not taken in account. As a result, many students of low-income families were not eligible for grants and low-interest loans, or even if eligible, were approved for a small amount only. Quoting an example, he said that a full-time student from a

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four-member family with a monthly income of \$20,000 would only be given a grant and a low-interest loan at 6% and 8% of the maximum amounts respectively.

23. USED explained that the no-gain-no-loss and full-cost recovery principles were approved by the Finance Committee (FC) for introducing the non-means-tested loan schemes. As these schemes were intended for students who were unable or unwilling to go through the income and asset tests under the Tertiary Student Finance Scheme - Publicly-funded Programme (TSFS) or Financial Assistance Scheme for Post-secondary Students (FASP) and were unsecured, FC approved that a RAF at 1.5% should be levied to cover possible Government's loss due to default in repayment of the loans. The Administration considered it inappropriate to require taxpayers to subsidize the operation of these schemes. The RAF could be reviewed and might be adjusted downward where more effective measures could be devised to prevent default and recover defaulted loans. He added that to encourage continuing education, the ENLS was implemented in the 2000-2001 academic year to cover students pursuing part-time publicly-funded or self-financing post-secondary programmes offered by the UGC-funded institutions and continuing and professional education courses operated locally by registered schools and recognised training bodies.

24. Controller, Student Financial Assistance Agency (C(SFAA)) supplemented that paragraph 16 of the Administration's paper showed the cumulative figures which provided an overall and latest picture of the default situation. He acknowledged that the existing mechanism for the assessment of students' expenses under the TSFS had been adopted since 1988 and was complicated and outdated. SFAA had appointed in 2007 a consultant to conduct a study to devise a simpler and more updated mechanism. A major part of the study required the assistance of post-secondary students to complete a questionnaire concerning their expenses. Such information was essential in devising the mechanism. However, the initial response of students was unsatisfactory, and the assistance of tertiary institutions had to be sought in order to obtain more responses from students. C(SFAA) added that the review was expected to be completed within 2009.

25. USED added that the cumulative figures in paragraph 16 of the Administration's paper had not included default cases which had been written off as bad debts or approved for deferment of loan repayment or adjustment of the quarterly repayment amounts. He stressed that loan borrowers with difficulties in repayment were encouraged to approach SFAA for assistance. In the 2007-2008 academic year, SFAA had approved around 2 700 applications for deferment of loan repayment or adjustment of quarterly repayment amount under the various non-means-tested loan schemes.

26. Mr WONG Yuk-man considered it necessary for the Administration to review comprehensively and reform the system for the provision of financial

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assistance for post-secondary students. He opined that the root problem was the exceedingly high tuition fees charged by some profit-making institutions which were beyond the means of many families, thus forcing the students to apply for non-means-tested loans. He pointed out that the number of default cases was more than a few tens per year as claimed by Mr WONG Sing-chi. He stressed on the need to use proper means to recover the defaulted loans and to educate students on their obligation to repay loans. He called on the Administration to address the problem at root and overhaul the financial assistance schemes.

27. Ms Audrey EU supported the conduct of a comprehensive review of the financial assistance schemes for post-secondary students. Referring to paragraph 14 of the Administration's paper, she disagreed with the approach adopted by the Administration to include the undemanded principal in the defaulted accounts as the default amount. Noting the definition of defaulters in paragraph 16 of the Administration's paper, i.e., defaulters were defined as loan borrowers who had failed to repay two or more consecutive quarterly instalments, she queried whether loan borrowers who repaid the defaulted loans subsequently would still be counted as defaulters. She suggested that the Panel should receive views from student bodies such as the Hong Kong Federation of Students to get a clearer picture of the operation of the various financial assistance schemes for post-secondary students.

28. The Chairman informed members that a member of the Hong Kong Federation of Students had requested to attend the meeting to present views on the subject matter. As he was the only one requesting to attend the meeting and in view of the limited time available for discussion on the subject matter, he had been advised to provide a written submission.

29. USED responded that the Administration and SFAA were concerned about the default problem. SFAA had enhanced publicity on prudent financial management and collaborated with the post-secondary institutions to brief students on various loan schemes and loan repayment arrangements, to remind them of the need to seriously consider their financial requirements and repayment ability before applying for loans, and to emphasise the importance of prudent financial management and making repayment on time. On recovery of defaulted loans, USED said that SFAA had been seeking the advice of the Joint Committee on Student Finance on measures to reduce the number of default cases. He pointed out that experience showed that loan borrowers who defaulted repayment for more than six months would have a high likelihood of not repaying the undemanded principals. Loan borrowers who subsequently repaid the unpaid instalments would not be classified as defaulters.

30. C(SFAA) supplemented that the undemanded principal and accrued interest of defaulting accounts would be taken out from the total amount of defaulted loans once the loan borrowers obtained SFAA's approval to defer repayment. He pointed out that both the number of defaulting accounts and the

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total outstanding amounts involved had been increasing in recent years. The number of loan borrowers who defaulted repayment for the 13<sup>th</sup> to 16<sup>th</sup> instalments and 17<sup>th</sup> to 20<sup>th</sup> instalments had increased respectively from 352 and 44 in 2005-2006 to 845 and 149 in 2006-2007 and further to 1 411 and 620 in 2007-2008. SFAA believed that loan borrowers who defaulted several quarterly repayments would highly unlikely repay the undemanded principal. This was the reason why the undemanded principal in the defaulting accounts was included in the total outstanding amount.

31. Ms Audrey EU shared the view of Mr CHEUNG Man-kwong that the debts from defaulters should be recovered through appropriate means. She requested SFAA to provide information on the profile of the defaulters and the loan recovery procedures. The Chairman pointed out that Members would hold a motion debate on "Helping young people cope with the financial tsunami" at the Council meeting on 18 February 2009, and the motion urged the Administration, among others, to remove the RAF and defer loan repayment. She requested that the information be made available to the Panel by 16 February 2009.

32. Ms Starry LEE expressed support for a review of the provision of financial assistance for students pursuing post-secondary education. She considered that it would be unfair to students to link the default situation with the need to improve the various loan schemes. She sought information on the loan recovery procedures. She pointed out that the no-gain-no-loss and full-cost recovery principles for operating the non-means-tested loan schemes were set by the Administration and these should not be quoted as the reasons by the Administration to turn down the call for improving the schemes. In her view, the Administration should at least waive the interest accrued until the loan borrowers had successfully found an employment in the light of the prevailing financial crisis.

33. Professor Patrick LAU shared the view of Mr WONG Yuk-man that loan borrowers should be educated on their obligation to repay loans and actions should be taken to recover the defaulted amount. He also shared the view that needy students should be financially assisted in their pursuit of post-secondary education and interest under the non-means-tested loan schemes should be accrued after their graduation. He considered it necessary to differentiate defaulters and loan borrowers who honored their repayment obligation. He suggested that to encourage early loan repayment, borrowers who had fully repaid their loans within a certain period, say two years, should be reimbursed with the interest paid under the RAF.

34. The Chairman opined that the imposition of the RAF had targeted at the wrong borrowers as it would only affect those who made repayment but not those who defaulted repayment. That being the case, it could not address the problem of default. She agreed with the view that the Administration should

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reinforce education on students on repayment responsibility, establish mechanisms to assist borrowers who had genuine difficulties in repayment, and work out effective measures to reduce default and recover debts. She said that given the high university tuition fees vis-à-vis the average family income, the Administration should adopt a progressive repayment system under which the repayment amount should be smaller in the first few years after graduation, and increase progressively in subsequent years. She shared the view of members that the Administration should review the means-tested grant and loan schemes.

35. USED noted members' views and suggestions on the various financial assistance schemes. He stressed that the best way forward was to reduce default by educating students on loan repayment responsibility. He appealed to loan borrowers who encountered financial difficulty as a result of a change of circumstances to approach SFAA for assistance, including adjustment of repayment amount and conversion of non-means-tested loans into means-tested grants or loans. Responding to the Chairman, C(SFAA) affirmed that full-time students borrowing loans under the NLS and NLSPS who had encountered financial hardship in the course of their studies could approach SFAA for assistance, such as applying for conversion of their non-means-tested loans into means-tested grants or loans if they could pass the means test.

Motion

36. Mr Tommy CHEUNG did not accept the reasons given by the Administration for not taking on board his three proposals, namely, deferring loan repayment for two years at no interest; removing the RAF; and waiving interest accrued during the loan borrowers' study period. He moved the following motion which was seconded by Mr CHEUNG Man-kwong -

(Translation)

"That, as Hong Kong is expected to be continuously affected by global economic recession for some time in the future and the employment situation is deteriorating, many fresh graduates from universities will encounter difficulties in repaying their student loans; in order to relieve the debt burden of such graduates and to prevent them from becoming heavily indebted soon after graduation, this Panel urges the Government to refine the non-means-tested loan schemes by adopting the following measures :

- (a) allowing graduates to defer the repayment of non-means-tested loans for two years at no interest, in anticipation that Hong Kong will continue to experience economic downturn in the near future;
- (b) permanently removing the risk-adjusted factor of 1.5% from the interest rate; and

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- (c) bringing the period of interest accrual in line with that under the Financial Assistance Scheme for Post-Secondary Students, so that interest will be calculated after a student has graduated instead of upon draw-down of the loan."

37. Dr Priscilla LEUNG expressed support for the proposals in (a) and (c) above. As regards proposal (b), she considered it necessary for the Administration to work out more effective measures for the recovery of defaulted loans before removing the RAF permanently.

38. Ms Starry LEE said that the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supported the proposals in paragraph 36(b) and (c) above. While DAB had no objection to the proposal in paragraph 36(a), it was of the view that the amount of the money involved could be better used to assist the more needy students in pursuit of post-secondary education.

39. Ms Audrey EU said that while the Civic Party supported the three proposals in the motion, this should not be taken to mean that they had to be implemented at the same time. She considered that priority should be set among these proposals.

40. Mr CHEUNG Man-kwong pointed out that the existing method of calculating the level of student expenses under the means-tested loan schemes had not been reviewed for over 20 years. If more students were eligible for the means-tested grants and loans, they would not have to resort to non-means-tested loans which had become the major source of financial assistance for post-secondary students in recent years. He proposed to amend the motion to add the proposal to review and relax the method of calculating the level of expenses of students under the low-interest loan schemes. Mr LEE Cheuk-yan supported the proposed amendment.

41. Professor Patrick LAU expressed support for Mr CHEUNG Man-kwong's proposal. In his view, this proposal should replace the proposal in paragraph 36(b) above. He considered it imprudent to remove the RAF from the non-means-tested loan schemes permanently before first reviewing the method of calculating the level of student expenses under the low-interest loan schemes.

42. Mr Tommy CHEUNG said that he did not object to deleting the word "and" in paragraph 36(b) above and Mr CHEUNG Man-kwong's proposed amendment to his motion. He added that it was the defaulters and not other loan borrowers who should be held responsible for the defaulted loans, and actions should be taken to recover the loans.

43. The Chairman put the following motion proposed by Mr Tommy CHEUNG and amended by CHEUNG Man-kwong to vote:

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(Translation)

"That, as Hong Kong is expected to be continuously affected by global economic recession for some time in the future and the employment situation is deteriorating, many fresh graduates from universities will encounter difficulties in repaying their student loans; in order to relieve the debt burden of such graduates and to prevent them from becoming heavily indebted soon after graduation, this Panel urges the Government to refine the non-means-tested loan schemes by adopting the following measures :

- (a) allowing graduates to defer the repayment of non-means-tested loans for two years at no interest, in anticipation that Hong Kong will continue to experience economic downturn in the near future;
- (b) permanently removing the risk-adjusted factor of 1.5% from the interest rate;
- (c) bringing the period of interest accrual in line with that under the Financial Assistance Scheme for Post-Secondary Students, so that interest will be calculated after a student has graduated instead of upon draw-down of the loan;
- (d) reviewing and relaxing the method of calculating the level of expenses of students under the low-interest loan schemes."

44. Eight members voted for the motion; no members objected to the motion and no member abstained. The Chairman declared that the motion was carried.

45. C(SFAA) sought clarification on the amended motion. Mr CHEUNG Man-kwong confirmed that the Administration was urged to review and relax the method of calculating the level of expenses of students under the low-interest loan schemes and not the non-means-tested loan schemes.

46. Concluding the discussion, the Chairman said that given the time constraint, the Panel had not thoroughly discussed the provision of means-tested grants and loans to post-secondary students. She suggested that the Panel should revisit the subject matter and receive views of deputations including the Hong Kong Federation of Students at a future meeting. Members agreed.

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**VI. Governance structure and grievances and complaints mechanisms of the University Grants Committee-funded institutions**

[LC Paper Nos. CB(2)249/08-09(01), CB(2)728/08-09(01), CB(2)771/08-09(05) and CB(2)775/08-09(01)]

Oral presentation by deputations/individuals

*Lingnan University (LU)*

[LC Paper No. CB(2)632/08-09(02)]

47. Mr LI Kam-kee said that the Council of LU had discussed at its meeting in December 2008 the motion passed by the Panel on 17 July 2008 urging the UGC-funded institutions to enhance the transparency of governance and to establish an elected independent inter-institutional complaints committee (the Motion). The Council agreed that the minutes of and papers for its meetings except sensitive information such as personal data could be made public. However, the Council had yet to decide on the means of achieving it and would discuss the matter at its meeting on 16 February 2009. The Council also agreed with the views of the Heads of Universities Committee (HUCOM) concerning the establishment of an elected independent inter-institutional complaints committee contained in HUCOM's response to the Panel (HUCOM's response). The Council would consider Dr Priscilla LEUNG's submission on the matter at its next meeting, and he would relay the discussions at the meeting to the Council.

*The Chinese University of Hong Kong (CUHK)*

[LC Paper No. CB(2)740/08-09(01)]

48. Mr Jacob LEUNG said that at present, three LegCo representatives sat on the Council of CUHK. The Council had discussed the Motion and agreed to enhance the transparency of governance subject to the condition that respect for personal data privacy and confidentiality, freedom of discussion at Council meetings and institutional autonomy would not be affected. The Council would in future upload a summary of its decisions onto CUHK's website after each meeting, except decisions relating to personal privacy matters, plans and proposals not yet finalized and items the disclosure of which was considered inappropriate. The Council also agreed with the HUCOM's views. Mr LEUNG added that CUHK had established formal and informal mechanisms to consult staff associations and representatives on university governance and administration matters and had mechanisms to handle staff complaints.

*Hong Kong Baptist University (HKBU)*

[LC Paper No. CB(2)632/08-09(03)]

49. Mr CHIU Ping-kwan said that the Council of HKBU discussed the

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Motion on 27 October 2008. HKBU had established mechanisms and channels to consult stakeholders including staff and students on major policy and administration matters and to keep them informed of Council decisions. These mechanisms and channels included announcements, press releases, publications, etc., which were found to be effective. The Council would review and refine the operation of these mechanisms on an on-going basis. Moreover, representatives of staff and students sat on the Council. To further enhance institutional transparency, the Council had decided that the summary of the decisions made by the Council would henceforth be uploaded onto HKBU's website for public access.

50 Miss LEUNG Pui-man supplemented that the Council agreed with the HUCOM's views. She highlighted that HKBU had formal and informal procedures to handle staff grievances and complaints. Staff were encouraged to first make use of the informal procedures to handle grievances and complaints. Should informal resolution fail, formal procedures could be initiated. A Conflict Resolution Committee would be set up to handle the complaint. Faculties/Departments would be invited to make nominations to form a pool of potential members for the Committee. The Committee would comprise three staff members not associated with the complaint from the pool and one lay member of the Council.

*City University of Hong Kong (CityU)*  
*[LC Paper No. CB(2)691/08-09(01)]*

51. Dr Ellen KO said that CityU had established mechanisms to handle staff grievances and complaints in a fair, open and impartial manner. Complaints which could not be resolved by the Human Resources Office would be referred to an Disciplinary Committee comprising staff and Council representatives. The Disciplinary Committee would hear the case and the complainant could be accompanied by a third party to the hearing. CityU would review and improve the grievances and complaints mechanism as and when necessary.

52. Mr John Dockerill said that the Council of CityU had discussed and endorsed the HUCOM's response at its meeting in January 2009. He pointed out that after the completion of the "fit for the purpose" review, the Council had made available the minutes of and papers for its meetings which were not of a confidential nature in the university library, and had uploaded a summary of the major decisions made by the Council onto CityU's website.

*The Hong Kong Polytechnic University (PolyU)*  
*[LC Paper No. CB(2)632/08-09(01)]*

53. Mr Alan LI said that the Council of PolyU had discussed the Motion. The Council had resolved to continue its practice since January 2006 of uploading major decisions made at its meetings, other than those classified as

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confidential, onto the University intranet. The Council supported management's disagreement to the establishment of an elected independent inter-institutional complaints committee and concurred with its view that such an establishment would infringe on the autonomy of institutions, as all eight UGC-funded institutions had set up their grievances and complaints handling mechanisms and their councils were vested with the powers to deal with appeals.

*The Hong Kong University of Science and Technology (HKUST)*  
*[LC Paper No. CB(2)724/08-09(01)]*

54. Mrs Catherine LAI said that after the enactment of the 2008 HKUST Amendment Ordinance, the Council of HKUST had included an elected staff representative and an elected student representative. The Council had considered the Motion and resolved to further enhance the transparency of governance and reinforce the existing communication channels, by announcing through the intranet after each Council meeting, the decisions taken except where it related to personnel or other sensitive matters. The Council would continue to issue press releases to announce its major decisions as appropriate.

55. Ms Yvonne HO said that the Council supported the stance of the HUCOM regarding the proposal of an inter-institutional complaints committee. The University administration would continue to maintain close liaison with the HKUST staff associations and refine the grievances and complaints handling mechanism on an on-going basis. Where a Hearing Committee had to be established to resolve complaints under the established procedures, there were checks and balances in determining its composition, and the complainant could be accompanied by a third party University member to attend the hearing. Ms HO stressed that both staff and the management had the shared goal to enhance fairness, openness and transparency of governance in the institutional system against the University's missions to achieve excellence in teaching and research.

*The Hong Kong Institute of Education (HKIED)*  
*[LC Paper No. CB(2)606/08-09(02)]*

56. Mr Chris MONG said that the Council of HKIED and its subcommittees and the HKIED management had discussed the Motion and supported further enhancement of the transparency of governance. HKIED had established channels to promulgate the Council's decisions within the Institute and, if appropriate, to the public. These communication channels included placing the meeting agenda, Council papers other than those classified as confidential and summaries of the Council's decisions on the intranet and in the Staff Newsletter. To further enhance transparency, the Council had resolved to place in HKIED's website and make available to the public relevant open documents and to relax the access to restricted documents. The Council and its subcommittees were making arrangements for implementing the Council's decisions, and would take

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into account the views of staff associations in this regard.

57. Mr Chris MONG further said that on the proposal for the establishment of an elected inter-institutional complaints committee, the Council agreed with the views of the HUCOM. The Council considered it opportune to review the existing guidelines and procedures with a view to enhancing the independence of the grievances and complaints handling mechanism. A consultant had been appointed to facilitate the conduct of the review. He added that at present, an appeal committee would comprise not more than six members, with its chairman and deputy chairman being external members of the Council. One member of the Council from the staff side and the President as the only management representative were also members of the appeal committee.

*The University of Hong Kong (HKU)*  
*[LC Paper No. CB(2)606/08-09(01)]*

58. Mr Henry W K WAI said that the Council of HKU had discussed the Motion and resolved to upload decisions at its meetings, excluding those relating to personnel matters and items of a confidential nature temporarily, onto the HKU's website starting from the meeting in November 2008. When the items were no longer confidential, they would be uploaded onto the HKU's website as well. The Council had informally discussed the proposal for the establishment of an elected independent inter-institutional complaints committee before the HUCOM's response, and could formally discuss the matter at its future meeting, if necessary. He added that some members of the Council however had queried the need to revisit the matter which had been considered by the HUCOM and agreed by other institutions as not feasible in view of the fact that the proposed inter-institutional complaints committee could be set up only with the agreement of all institutions.

*Federation of Hong Kong Higher Education Staff Associations*  
*[LC Paper No. CB(2)793/08-09(03)]*

59. Mr SHUM Kar-ping said that the Federation of Hong Kong Higher Education Staff Associations (the Federation) was surprised by and disappointed with the HUCOM's objection to the establishment of an inter-institutional redress mechanism for the UGC sector. The Federation had called for the establishment of such a mechanism since the Sutherland Report years ago. The Federation considered that HUCOM intended to privatize the operation of institutions in the name of institutional autonomy and at the expense of their staff and students. Like the role and functions of courts, an inter-institutional redress mechanism was essential to ensure the handling of staff grievances and complaints in a fair, impartial and open manner. It would improve the existing staff grievances and complaints mechanisms of individual institutions. He considered that the spirit of higher education was to develop important values such as justice and impartiality among students. Students should be encouraged

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to speak out in adversity and without fear. Institutional autonomy should not be used as an instrument to suppress freedom of speech and academic freedom.

*Staff Association of The Chinese University of Hong Kong*  
[LC Paper No. CB(2)806/08-09(01)]

60. Mr Anthony KWOK presented the views of the Staff Association of CUHK in its submission. In brief, the Association considered university autonomy essential for the protection of academic freedom, but it should not be used to camouflage decisions contrary to public accountability and accepted social norms. The Association supported the establishment of an independent and transparent inter-institutional redress mechanism to ensure the handling of staff complaints and grievances in the UGC sector in a fair, open and impartial manner. The Association urged the Administration to discharge its constitutional duty of maintaining academic freedom through genuine university autonomy.

*The Chinese University of Hong Kong Employee's General Union*  
[LC Paper No. CB(2)831/08-09(01)]

61. Mr Alan CHO said that to enhance the transparency of governance and accountability, institutions should make public the papers of its management bodies at different levels, formulate code of practices on disclosure of information, set out the procedures for staff consultation and affirm the status of staff associations in negotiation and consultation. He stressed that institutional autonomy should be achieved through collective participation of the stakeholders in the management of the institution. According to a survey on the staff of CUHK conducted by the Association, the majority of respondents considered that freedom of speech was not encouraged by the management. The Association supported the establishment of an inter-institutional redress mechanism which would improve the institutions' own systems and serve as a fall-back for staff. The Association also considered it necessary for the institutions to make public the agenda, minutes and papers of the meetings of their governing bodies at different levels.

*Hong Kong Professional Teachers' Union*  
[LC Paper No. CB(2)831/08-09(02)]

62. Mr FUNG Wai-wah cited the major staff disputes in the UGC-funded institutions in the recent years to illustrate the existing unsatisfactory handling of staff grievances and complaints in the UGC sector. He said that the Hong Kong Professional Teachers' Union had conducted a survey on the staff in the UGC sector and had received some 600 responses. The majority of respondents were unaware of the internal grievances and complaints handling mechanisms in individual institutions and did not consider the mechanisms fair and effective. Many complainants would prefer to seek assistance from LegCo or resort to

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legal means. The Union supported the establishment of an inter-institutional redress mechanism to resolve grievances and complaints in the UGC sector. The Union also found that staff and students considered that their views could not be adequately reflected in the governing bodies. The Union called on the institutions to enhance the transparency of governance by making public the minutes of and papers for their council meetings.

*City University of Hong Kong Teachers' Union*

63. Mr Nicholas TAM said that the CityU Teachers' Union was pleased with the passing of the Motion by the Panel urging the institutions to enhance the transparency of their governance, which would promote the quality of higher education and ensure the effective use of public funds. However, the Union was disappointed with the replies from the institutions which indicated great reservations in enhancing their transparency. Most institutions were only willing to make public the decisions of their Councils. The Union considered that making public the decisions was not enough and the process of making decision should be transparent. The Union considered that the establishment of an inter-institutional redress mechanism was essential for maintaining checks and balances in university management. The Union urged LegCo to continue to follow up the Motion seriously.

*Mr WONG Juen-kon*

*[LC Paper No. CB(2)771/08-09(06)]*

64. Mr WONG Juen-kon described his personal experience to illustrate the malpractices and abuse of authority in the higher education sector. He indicated that he was ready to give \$100,000 to CUHK for the purpose of organizing a hearing and inviting all the tertiary institutions to the hearing to consider his case. He supported the establishment of an inter-institutional redress mechanism to restore law and justice in the higher education sector. He said that should such a mechanism not be established, the jurisdiction of the Independent Corporation Against Corruption (ICAC) or the Ombudsman should be extended to handle staff dispute matters in the UGC sector.

*The University of Hong Kong Staff Association*

*[LC Paper No. CB(2)790/08-09(01)]*

65. Dr YANG Mo said that the University of Hong Kong Staff Association supported the request of the Federation to establish an inter-institutional redress mechanism for the higher education sector.

*The Hong Kong Polytechnic University Staff Association*

66. Dr Joseph LEE said that the PolyU Staff Association supported the call of the Federation for the establishment of an inter-institutional redress

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mechanism. He pointed out that in general, the secretaries to the Councils of the UGC-funded institutions were members of the senior management. The external members of their Councils were mostly from the business sector. Based on his experience, the Council meetings were steered by the secretaries. He considered that appointing senior management staff as the Council secretaries was inappropriate as they had conflict of interest. Referring to the response of PolyU concerning the Motion, he considered that the management had misunderstood the operation of the proposed inter-institutional redress mechanism. PolyU had objected to such a mechanism on the ground that it would infringe on the institutional autonomy. Should such an argument be valid, then ICAC and the Director of Audit would also be regarded as infringing on the independent operation of private and public bodies.

67. Mr Justin LAW King-wai said that currently, the governance of universities was in the hands of a few top management staff. Under the pretext of institutional autonomy, the senior management was given a free hand in governance. He cited the appointment of a very senior staff member of an institution without any prior consultation with the staff and students to illustrate the operation of the top management in a black box. He stressed that enhancing the transparency of institutional governance was paramount to maintaining fair and responsible management.

*The University of Hong Kong Academic Staff Association*  
[LC Paper No. CB(2)831/08-09(03)]

68. Mr CHAN Che-wai described his unsuccessful application for extension of service in HKU beyond the age of 60 as detailed in his submission. He alleged that his application was not approved because he was the chairman of the staff association. He said that his experience pointed to the problem of suppression of freedom of speech in HKU and the need for the establishment of an inter-institutional redress mechanism in the UGC sector.

*University of Hong Kong Employees Union*  
[LC Paper No. CB(2)806/08-09(02)]

69. Mr CHU Kee-tung said that the University of Hong Kong Employees Union supported the call of the staff associations in the UGC-funded institutions for the establishment of an inter-institutional redress mechanism. In his view, HUCOM objected to the proposal as the management was worried that their governing power would be infringed on. He called on the university management to treat their staff member conscientiously and regard them as the asset of the universities.

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*Hong Kong Baptist University Faculty and Staff Union  
[LC Paper No. CB(2)831/08-09(04)]*

70. Mr TO Yiu-ming said that the Hong Kong Baptist University Faculty and Staff Union strongly urged the establishment of an inter-institutional redress mechanism for the UGC sector to address the problem of centralization of power. He quoted HKBU's current review on the policy guidelines and procedures governing the disciplinary proceedings for substantiated staff to illustrate his concern. He claimed that it was proposed under the review to confer the President of HKBU with the power to refer disciplinary matters involving a substantiated staff to a Committee on Termination on Appointment. The nature of such power had changed from exceptional to standing. The way the review had been conducted showed that HKBU operated in a black box without staff consultation. Mr TO further claimed that the faculties of HKBU could decide on the remuneration for staff. He had enquired with the Personnel Office but received no response so far.

71. Dr CHAN Sze-chi said that the review on policy guidelines and procedures governing the disciplinary proceedings for substantiated staff was conducted without prior staff consultation. He stressed that the review would not only affect the interests of staff and students of HKBU but also have adverse impact on the international recognition of higher education in Hong Kong and the preservation of the core values in the community.

*Academic Staff Association, Hong Kong Institute of Education  
[LC Paper No. CB(2)831/08-09(05)]*

72. Dr WONG Ping-ho said that the Academic Staff Association of HKIED supported the establishment of an inter-institutional redress mechanism for the UGC sector as proposed by the Federation. While welcoming the decision of HKIED Council to make public its open documents, the Association was concerned that the disclosure of information was subject to three conditions, namely, it would respect personal privacy and confidentiality; it would not inhibit freedom of discussions at meetings; and it would not infringe on institutional autonomy. The Association considered it necessary to have a mechanism to apply such conditions and a committee including a staff representative to deal with document classification. The Association requested the HKIED Council to amend the existing ordinance to allow all staff to be eligible for election as a staff representative in the Council. The Association also proposed the removal of the standard clause in the staff employment contract allowing HKIED to change any terms and conditions of employment at any time provided that no change should be made which would retrospectively lower salary or allowances or reduce accrued benefits relating to service prior to the implementation of such changes.

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*Hong Kong Federation of Students*  
*[LC Paper No. CB(2)219/08-09(02)]*

73. Mr LI Yiu-kee said that the Federation of Hong Kong Students and affiliated student unions unanimously supported the Motion. The Federation condemned the HUCOM for objecting to the establishment of an inter-institutional redress mechanism. The Federation considered that the HUCOM should make public the relevant minutes of meeting and papers to substantiate its claim that the establishment of such a mechanism would infringe on institutional autonomy. The Federation was of the view that the purpose of institutional autonomy was to protect the academic freedom of staff. However, the representatives of staff associations had repeatedly complained about the ineffectiveness of the existing mechanisms to resolve the disputes between staff and management. The Federation considered it the right time to review the grievances and complaints handling mechanisms and establish an inter-institutional redress mechanism for staff to voice out their dissatisfaction. The Federation also considered it necessary to clarify the definition of confidential information to which public access was denied. The Federation was of the view that all university council papers were public assets which should be made public.

*The Teachers' Association, The Chinese University of Hong Kong*  
*[LC Paper No. CB(2)831/08-09(06)]*

74. Professor WONG Chi-sum said that the Teachers' Association of CUHK supported the establishment of an inter-institutional redress mechanism to complement the existing grievances and complaints mechanisms in individual UGC-funded institutions and reduce the need for legal proceedings. Resorting to legal actions would incur public resources on the part of the institutions and was not a proper way to demonstrate justice as staff could not afford the legal cost. The Association did not agree that the establishment of an inter-institutional redress mechanism would infringe on institutional autonomy. In its view, such a mechanism would set a good example in handling employer-employee disputes for other sectors.

*The Staff Association of the Open University of Hong Kong (OUHK)*  
*[LC Paper No. CB(2)831/08-09(07)]*

75. Mr CHOW Pak-kiu said that the Staff Association of OUHK supported the establishment of an inter-institutional redress mechanism for the higher education sector. The Association disagreed with the HUCOM's response that such a mechanism would infringe on institutional autonomy as neither the university councils nor the Administration had been requested to interfere with academic affairs and university administration respectively. The establishment of an inter-institutional redress mechanism would be an effective means to address the lack of confidence in the internal grievances and complaints

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handling mechanisms in individual institutions. To illustrate the credibility crisis faced by universities and the need for an external redress mechanism, he cited two incidents concerning the adjustment of staff salaries and redundancy of substantiated staff in OUHK in recent years.

*CUHK Alumni Concern Group*  
*[LC Paper No. CB(2)793/08-09(04)]*

76. Mr MAU Chi-wang said that the CUHK Alumni Concern Group considered that the progress of reform in the governance structure of CUHK in recent years was far from satisfactory. He referred to a judicial review on the medium of instruction in CUHK initiated by a student who was labelled as a "student politician", and the judicial review was conceived as having a strong political motive. He opined that the subject of the medium of instruction in CUHK had its historical significance and should be discussed from academic, moral and education perspectives. He considered that the incident reflected the values and beliefs of the CUHK management in education and university governance that should be deliberated in-depth.

77. Mr Raymond LUK Yiu-man said that the Concern Group agreed with the view that the decision-making process in the governing bodies was important and should be made transparent. The Concern Group was concerned about the restructure of the CUHK Council after the establishment of five new constituent colleges. The CUHK Council had established a working group to discuss the matter in January 2009 but its membership had yet to be announced. The Concern Group called on CUHK to respect the right of the stakeholders to participate in the restructure of the CUHK Council and provide them with the relevant information for consultation.

*The League of University Unions*  
*[LC Paper No. CB(2)831/08-09(08)]*

78. Miss Emily NG said that the League of University Unions considered the HUCOM's response confusing, and that institutional autonomy should build upon an effective, open and democratic governance structure. Institutional autonomy should be shared by the stakeholders in universities and should not be monopolized by the management. The League requested the establishment of an elected independent inter-institutional redress mechanism, extension of the jurisdiction of the Ombudsman to cover the UGC sector and improvement to the existing grievances and complaints mechanisms in individual institutions. In addition, the Administration should require the institutions to make public the papers of its management and administration bodies at different levels, formulate code of practices on disclosure of information, set out the procedures for staff consultation and affirm the status of staff associations in negotiation and consultation.

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Response of the Administration and UGC

79. The Chairman highlighted the opposing views held by the university management and the deputations on the establishment of an inter-institutional redress mechanism for the higher education sector, and considered it necessary for the Administration to address the issue.

80. In response, USED said that the councils of the UGC-funded institutions had discussed the Motion and had taken measures to enhance the transparency of governance. The Administration hoped that the institutions would continue to enhance transparency of governance and communication with the stakeholders to establish mutual trust. On the basis of institutional autonomy, the Administration respected the views of the HUCOM and the councils of the UGC-funded institutions concerning the establishment of an inter-institutional redress mechanism. The institutions had completed their "fit for the purpose" reviews, and legislative amendments to the ordinances relating to CityU and HKUST had been made to effect the recommendation to restructure their governing bodies. The Administration believed that these reviews were not one-off and would be conducted as and when considered necessary by the institutions.

81. Secretary General, University Grants Committee (SG(UGC)) said that UGC was pleased that the eight UGC-funded institutions had completed their governance reviews and were in the process of implementing the recommendations. UGC supported enhancing the transparency of institutional operations and welcomed the decision of the councils of the institutions to open up their decisions and deliberations. UGC respected the decisions of the university councils on the appropriate ways to enhance transparency. As regards the establishment of an elected inter-institutional complaints committee, UGC supported HUCOM's view to protect institutional autonomy which had been considered and endorsed by the councils of the institutions. At the same time, UGC considered it important that the established grievances and complaints handling mechanisms in the institutions should be transparent and made known to staff.

Inter-institutional redress mechanism

82. Mr CHEUNG Man-kwong said that institutional autonomy should be premised on the principles of fairness, openness and impartiality. He pointed out that complaints in the primary and secondary school sector could be handled by the Education Bureau in accordance with the relevant codes of aid. However, complaints in the UGC sector were not dealt with by any authority. Staff in the UGC-funded institutions had no confidence in the grievances and complaints handling mechanisms in individual institutions; the jurisdiction of the Ombudsman did not cover the UGC sector; the costs of legal proceedings were beyond the means of staff. It was impractical to expect LegCo to handle the

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large number of complaints in the UGC sector. In his view, the establishment of an elected independent inter-institutional complaints committee comprising staff and management representatives was the best way forward. This was proven effective in the resolution of the two controversial cases in the UGC sector in recent years, i.e., non-renewal of contract for six staff in the Law School of CityU and "opinion poll incident" in respect of Dr CHUNG Ting-Yiu of HKU. Both cases had been resolved through the establishment of an independent committee chaired by respectable members of the community. Mr CHEUNG pointed out that the institutions and the HUCOM had all along objected to the establishment of an elected independent inter-institutional complaints committee on the ground of preserving institutional autonomy. However, it was for the very reason of preserving institutional autonomy that such a mechanism should be established as the complaints and grievances in the UGC sector would be handled by members in the UGC sector and not in other sectors. He questioned whether the Administration considered the present situation acceptable, and asked how the Administration would respond to the strong voices of the staff in the higher education sector to resolve their problems.

83. Mr LEE Cheuk-yan said that he was surprised by the strong allegations made by the representatives of staff associations at the meeting. These included, among others, the unsuccessful application of Mr CHAN Che-wai of HKU for extension of service; the centralization of power on the President of HKBU concerning termination of service; the action taken by OUHK to replace staff on substantiated terms with staff on contract terms; and the power of HKIEd to unilaterally change the terms of employment. All these allegations reflected the ineffectiveness and unfairness of the existing grievances and complaints handling mechanisms in the UGC-funded institutions. This called for the need to establish an independent inter-institutional complaints committee to resolve staff dissatisfaction and maintain justice in the UGC sector. In his view, the HUCOM was keen on maintaining the powers and authority of university heads without monitoring under the pretext of institutional autonomy. He considered that the Administration had not played its role in ensuring the effective use of public funds by the institutions in the UGC sector. He asked for a response from the Administration in this regard.

84. Ms Audrey EU was concerned that given the opposing stances of university staff and management as shown in the preceding presentations, the victims were the students. Recalling her experience as the chairman of the Independent Committee on Review of Recent Events in the School of Law appointed by CityU Council in the summer of 2002, she said that she had to work intensively during the whole summer holiday, receiving views from relevant persons and drafting the report. She noted with concern the diverse nature of complaints lodged by staff covering various staff administration and employment matters and the possible workload on the inter-institutional complaints committee, if appointed. In this regard, she invited views from the attending deputations on any mechanisms that could be made reference to, the

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composition and the jurisdiction of the proposed independent inter-institutional complaints committee.

85. Dr Joseph LEE said that the independent inter-institutional complaints committee should comprise elected staff representatives from the institutions and prominent members of the community such as elected LegCo members. To ensure fairness, the institution associated with the complainant should not be involved in handling the complaint under the inter-institutional redress mechanism.

86. Mr CHAN Che-wai said that the establishment of an independent inter-institutional complaints committee would impact on university governance as institutions would be more prudent in handling staff matters and in making decisions. In his view, the current arrangement was unsatisfactory in that the university management used public resources in legal proceedings in respect of decisions made by individual members of the management.

87. Mr Nicholas TAM said that handling complaints about the maladministration of the senior management of the institutions should be the main task of the inter-institutional complaints committee. He cited the disputes arising from the remuneration policy for staff deployed to the Community College of City University to illustrate the time spent and the efforts made in rectifying the wrongdoing of the senior management of CityU. In his view, the existing problem in the UGC sector was that "the controller was not being kept under control". The establishment of an independent inter-institutional complaints mechanism would provide an avenue to tackle disputes and grievances in the UGC sector.

88. Dr CHAN Sze-chi said that the answer for resolving abuse of power and maladministration of universities should not rest with the staff. He considered that the operation of the Ombudsman and the "opinion poll incident" in respect of Dr CHUNG Ting-Yiu were useful references in considering the mode of operation of the independent inter-institutional complaints mechanism. The important principle was that the inter-institutional complaints mechanism should have legal backing and operate in a fair, impartial, independent and open manner. He shared the concern that the university management were using public resources in legal proceedings in respect of decisions made by individual members of the management. He expressed grave concern that the Administration had connived at the actions taken by the university management to suppress academic freedom and inhibit the academics to contribute to the society. He considered that the solution to the existing problems rested with the democratization of universities.

89. Ms LI Fung-ying expressed concern about paragraph three of the HUCOM's response which stated that the establishment of an inter-institutional complaints committee would be tantamount to usurping the legal powers of the

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university councils, infringing on the autonomy of the institutions, and slighting the judgement of the courts. She considered that this had showed misunderstanding on the part of the HUCOM. She agreed with Mr CHEUNG Man-kwong's view that LegCo never wished to interfere with the autonomy of the institutions but the outcry from the staff in the UGC sector had made it inevitable for LegCo to provide at least a platform for them to voice out their grievances. To clarify misunderstanding, the HUCOM should have attended the meeting and explain its views in detail. She considered that in the face of the opposing stances held by the university management and their staff, the Administration could not shriek its responsibility under the shield of institutional autonomy.

90. Professor Patrick LAU said that Dr Priscilla LEUNG, who had left the meeting because of other engagement, supported the establishment of an inter-institutional complaints committee for the higher education sector and invited members and deputations to read her paper on the matter. Dr LEUNG was of the view that resorting to legal proceedings to resolve staff grievances and complaints was costly and time-consuming, hence the need for the establishment of an inter-institutional redress mechanism.

91. Professor LAU further said that he noticed that the situation was deteriorating. For example, the heads of faculties and departments had been elected in the past but were now appointed. He considered it important to provide a stable working environment for staff so that they could concentrate on teaching and research work. While some problems might be systemic and could not be resolved easily, the establishment of an inter-institutional redress mechanism would at least help create such an environment. Given the substantial investment in UGC, he queried what the role of UGC was and what it had done so far.

92. The Chairman sought members' view on extending the meeting to 8:00 pm. Members agreed.

93. Mr WONG Yuk-man said that having been in the higher education sector for more than a decade, he well understood power struggle in tertiary institutions. He found it miserable that many well-educated persons had to defend the institutions for the sake of livelihood. He appreciated the representatives of staff unions and association for speaking out at the risk of losing their "rice bowls". In his view, the problems pointed to the university management including the universities and the HUCOM which had unfettered power under the shield of institutional autonomy and the lack of avenue for staff to seek redress. The problems had remained unresolved for a long time because the Administration and UGC had put up with the situation. He requested the Administration to take concrete measures to solve the problems.

94. The Chairman said that the deputations had voiced out their grievances

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including individual cases. She invited the Administration and UGC to respond to the deputations' concerns.

95. USED said that the Administration supported enhancing the transparency of governance and encouraged institutions to improve communication with stakeholders. The Administration respected the views of the HUCOM and the councils of the institutions concerning the Motion. He reiterated that the institutions had conducted the "fit for the purpose" reviews and the reviews were not one-off, and they would continue to review and improve communication with staff to enhance the transparency of governance.

96. SG(UGC) said that there was force in the HUCOM's response that the institutions were independent bodies with Councils vested with statutory power to deal with appeals. One should not seek to overturn that lightly. UGC believed HUCOM had acknowledged in their statement that the individual institutions' processes could be improved UGC considered that greater participation of persons not directly connected with the institutions at the final level of appeal might be useful, and had discussed that informally with the Heads. This proposal was put forward by UGC, and this showed that UGC was in dialogue with the institutions on the subject matter.

97. SG(UGC) further said that he did not agree with the view about the lack of monitoring of use of public fund by the institutions. There were different ways of monitoring the use of public fund by the institutions. Approval of triennium funding for the UGC-funded institutions was sought from LegCo. Academic development proposals including target student numbers and level of programmes were agreed between UGC and individual institutions, and the institutions could not deviate from the development proposals without UGC's agreement. Moreover, institutions had to submit audited statements of their use of UGC funds.

Follow-up

98. The Chairman invited members' views on the way forward. As the HUCOM had put forward various reasons for turning down the proposal for the establishment of an inter-institutional complaints committee including maintaining academic freedom and the statutory power of the councils of the institutions, she suggested that the HUCOM be invited to a Panel meeting to elaborate on its views.

99. Mr LEE Cheuk-yan expressed support for a meeting with the heads of the institutions to discuss the HUCOM's response. Referring to the UGC's proposal of appointing more persons on the final level of appeal who did not have a direct link with the institution concerned with the complaints, Mr LEE said that this was no different in effect from the proposal of establishing an inter-institutional complaints committee provided that the same group of persons was appointed by

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the institutions. He requested the Administration and UGC to elaborate on the UGC's proposal.

100. Mr CHEUNG Man-kwong did not object to inviting the HUCOM to attend a Panel meeting. However, he did not consider that this would help resolve the matter as the HUCOM had stated all the reasons for disagreeing with the proposal of establishing an inter-institutional complaints committee in its response. In his view, the Administration could not continue to stay aloof and simply held on its stance of respecting institutional autonomy. He urged the Administration to come up with a stance on the matter. Mr CHEUNG also said that UGC had not performed its function and should be scrapped altogether. Mr WONG Yuk-man expressed a similar view and urged the Administration to take concrete actions.

101. Ms Audrey EU suggested the following actions -

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(a) the Research and Library Services Division of the LegCo Secretariat to conduct a research on external complaints handling mechanisms in the higher education sector in overseas countries including their jurisdiction;

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(b) the Administration to explore the feasibility of extending the jurisdiction of the Ombudsman to cover the UGC sector and give a written response; and

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(c) the Legal Service Division of the LegCo Secretariat to provide legal advice on the HUCOM's response, in particular on the view that the setting up of an inter-institutional complaints committee was tantamount to usurping the legal powers of the university councils, infringing on the autonomy of the institutions, and slighting the judgement of the courts.

102. USED pointed out that section 8 of the Ombudsman Ordinance (Cap. 397) specified that the Ombudsman should not undertake investigation in, among other things, personnel matters such as appointments, dismissals, pay and conditions of service, etc. He added that the adoption of an arbitration system to resolve staff grievances and complaints as proposed in Dr Priscilla LEUNG's paper could be explored. The Administration would through UGC request the institutions to consider the proposal. He stressed that the institutions should work together with their staff to map out the best solution.

Clerk

103. The Chairman requested the deputations to provide written submissions on the details of the proposal to establish an elected independent inter-institutional complaints committee including its jurisdiction and composition. She also requested the Administration to provide a written response, preferably within one month, on the way to address the issues raised at

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the meeting, including the proposal to extend the jurisdiction of the Ombudsman to cover the UGC sector.

104. Members agreed on the actions to be taken in paragraph 101 above and that the Panel would revisit the subject matter.

**VII. Any other business**

105. There being no other business, the meeting ended at 8:03 pm.

Council Business Division 2  
Legislative Council Secretariat  
6 March 2009



葉劉淑儀議員辦事處  
Office of Hon. IP LAU Suk Yee, Regina

立法會教育事務委員會秘書  
梁慶儀小姐

梁小姐：

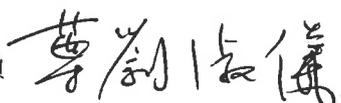
關於 2009 年 2 月 9 日會議紀要

本人認為教育事務委員會 2009 年 2 月 9 日會議紀要（“會議紀要”）中的第三段未能準確紀錄會議情況，特此來函要求修改。

會議紀要第三段為本人對政府覆函的看法撮要，段落中“她指出，《明報》登載了“明辨性思考”或“分辨性思考”等中譯，而若干著名學者亦認為這些是較恰當的翻譯。”

並不能準確反映本人的看法，要求修改為“她指出報章曾經登載她所提議的中譯“明辨性思考”或“分辨性思考”，而若干著名學者亦認為這些是較恰當的翻譯。”。祝

台安。

教育事務委員會委員 

二〇〇九年三月二十三日