

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 22nd meeting
held at the Legislative Council Chamber
on Friday, 5 February 2010, at 5:05 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon WONG Kwok-hing, MH
Dr Hon Joseph LEE Kok-long, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Hon CHAN Kin-por, JP
Hon WONG Kwok-kin, BBS
Hon IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Dr Hon PAN Pey-chyou

Members absent:

Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan

Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, SBS, JP
Dr Hon Margaret NG
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, SBS, JP
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH
Dr Hon LAM Tai-fai, BBS, JP
Hon CHAN Hak-kan
Hon Paul CHAN Mo-po, MH, JP
Dr Hon Priscilla LEUNG Mei-fun
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP

Public officers attending:

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Bernadette LINN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Kenneth CHEN Wei-on, JP	Under Secretary for Education

Ms Michelle LI Mei-sheung, JP	Deputy Secretary for Education (1), Education Bureau
Mr Daniel CHENG Chung-wai	Principal Assistant Secretary (Further Education), Education Bureau
Professor Gabriel M LEUNG, JP	Under Secretary for Food and Health
Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Food and Health (Health)2

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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Staff in attendance:

Ms Anita SIT	Chief Council Secretary (1)5
Miss Joanne FONG	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)1

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Item No. 4 - FCR(2009-10)53

LOAN FUND

HEAD 252 – LOANS TO SCHOOLS/TEACHERS

Subhead 106 Start-up loan for post-secondary education providers

The Committee resumed discussion on the item.

2. The Chairman advised that members should focus discussion on the present proposal, while the policy issues could be followed up by the relevant Panel.
3. Mrs Regina IP considered it important to ensure the academic standard of the post-secondary programmes provided by self-financing education providers. She asked about the timeframe for completing the vetting of such programmes for academic accreditation.
4. Under Secretary for Education (USED) said that the Administration attached great importance to ensuring the quality of the post-secondary programmes provided by self-financing education providers. Deputy Secretary for Education (1), Education Bureau (DS(Ed)1) advised that the accreditation was based on stringent criteria. Institutions with self-accrediting status, e.g. University Grants Committee (UGC)-funded institutions, had established internal quality assurance mechanisms to accredit their degree programmes, while programmes operated by other institutions

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had to be accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ). The HKCAAVQ would make an evaluation of whether an applying institution was qualified, in terms of teaching staff and facilities for its prospective students, to provide the educational services it intended to provide before submitting recommendations to the Chief Executive and the Executive Council for approval. Each degree programme provided by self-financing post-secondary institutions would be assessed by an independent panel comprising both local and overseas experts in the relevant discipline. A self-financing degree programme would be subject to academic review at five-year intervals. As for professional degree programmes, they would need to be recognized by the relevant professional bodies as well.

5. Mrs Regina IP asked about the contingency plan for the students should a self-financing education institution fail to meet the accreditation standard afterwards. She said that many Associate Degree holders and graduates of the Hong Kong College of Technology could not secure employment even after paying huge tuition fees for the courses.

6. DS(Ed)1 said that applications for the development of self-financing degree-awarding institutions on the five reserved sites would have to undergo strict vetting process to ensure the quality of the programmes to be offered. As for the job prospects of Associate Degree holders, she advised that as in the case of holders of other qualifications, it would mainly hinge on the conditions of the local economy.

7. Mrs Regina IP said that she did not support the proposal, and would abstain from voting on the item.

8. Mr CHEUNG Man-kwong asked whether the Administration was currently charging students an interest rate of 2.5% per annum for loans under the means-tested student loan scheme (MLS), while applying the no-gain-no-loss rate of 2.099% per annum to loans under the non-means-tested loan scheme (NLS). USED responded that a risk adjustment factor of 1.5% was added to the no-gain-no-loss rate of 2.099% to form the overall interest rate per annum chargeable on NLS loans. As such, there would not be a situation that the interest rate for NLS loans was lower than that for MLS loans. DS(Ed)1 explained that for the MLS, repayment of loans commenced only after the students' graduation, and therefore the interest rate was only 1 to 2% per annum when the lapse of time in repayment was taken into account.

9. Mr CHEUNG Man-kwong remarked that students/families with financial difficulties would apply for MLS loans in the first instance, failing which they would resort to the NLS. Despite the time factor as explained by DS(Ed)1, he considered that charging a 2.5% interest rate per annum, which was 0.401% higher than the no-gain-no-loss rate, on MLS loans was unfair to students from the low-income families and would add to the financial burden of these families. It also gave the impression that the Government was making profits out of the pockets of the poor in society.

10. USED responded that student financial assistance provided in the forms of grants and loans aimed to support the tuition fees, academic expenses and basic living expenses of students. No repayment was required for grants. It was difficult to say whether the interest rate of 2.5% per annum was too high for MLS loans, when the timing of repayment was taken into account. Mr CHEUNG Man-kwong said that not all full-time post-secondary students were eligible for grants. He considered that it was only fair for the Administration to charge an interest rate at the same level as the no-gain-no-loss rate for MLS loans, and asked if the Administration would review the policy in this direction.

11. USED said that it was not appropriate to make a direct comparison between the interest rates of the Start-up Loan Scheme and the means-tested student financial assistance scheme, which were of different nature and had different repayment conditions. Besides, taking into account the time factor, the interest rate for the MLS loans was in fact lower than the no-gain-no-loss rate charged on the loans under the Start-up Loan Scheme.

12. The Chairman advised that the issue raised by Mr CHEUNG Man-kwong could be followed up by the Panel on Education.

13. The Chairman put the item to vote. The Committee approved the proposals.

Item No. 5 - FCR(2009-10)54

**HEAD 140 – GOVERNMENT SECRETARIAT: FOOD AND HEALTH
BUREAU (HEALTH BRANCH)**

Subhead 700 General non-recurrent

Item 019 Health and Health Services Research Fund

14. The Chairman advised that this item sought an increase of \$150 million in the approved commitment, from \$76 million to \$226 million, for the Health and Health Services Research Fund (HHSRF) (the Fund) to continue supporting research in areas of human health and health services. The Panel on Health Services had discussed the proposal at its meeting on 14 December 2009.

15. Dr Joseph LEE, Chairman of the Panel on Health Services, reported that the Panel supported the proposal. During the Panel discussion, there was a suggestion that the Administration should consider further increasing the financial commitment for the Fund and the grant ceiling of each project to meet the increased research costs.

Use of research outcomes

16. Ms Miriam LAU expressed support for the proposal. Referring to paragraph 7 of FCR(2009-10)54 which showed that only one-third of the research projects had impact on informing policies, she opined that the Administration should proactively suggest research topics to the universities, targeting at common health problems in the community such as chronic diseases, insomnia, fatigue, etc.

17. Under Secretary for Food and Health (USFH) advised that about one-third of the projects had direct impact on policy formulation through production of new or revised treatment guidelines, treatment protocols, reference standards and Cochrane reviews. Besides, about 90% of the research outcomes had been published, and there were on average more than five publications per project generated. These publications were evidence-based knowledge which could contribute to the formulation of health policies and practices. He also referred members to Enclosure 2 which set out some notable examples of completed projects contributing to health policies and practices in the areas of primary care, health care for an ageing population, mental health service delivery, smoking and health, and health promotion and exercise. In the past one to two years, there had been an increase in the number of health and health services research projects commissioned by the Food and Health Bureau (FHB). The present proposal had taken into account the funding requirement for this type of projects.

18. Referring to the completed and ongoing projects supported by the Fund, and the impact of the research supported by the Fund and the former Health Services Research Fund as summarized in paragraph 7 of FCR(2009-10)54, Mrs Regina IP expressed concern that the research projects were mostly esoteric work of the academics and appeared too impractical in nature to bring about concrete benefits to the community. It could also hardly be seen how they would contribute to the promotion of the medical services industry highlighted in the Chief Executive's Policy Address.

19. USFH replied that the development of the medical services industry was about health/medical economics and management, which were matters requiring consideration at a macro level. Although in the past few years, there had been few projects supported by the Fund focusing on the development of the medical services industry in Hong Kong, it was envisaged that following the announcement by the Chief Executive in his Policy Address in October 2009 and in light of the recommendations of the Commission on Strategic Development about the six industries, one of which being the medical services industry, where Hong Kong enjoyed clear advantages, there would be an increase in research in this area.

20. Referring to the research projects supported by the Fund conducted by the University of Hong Kong (HKU) and the Chinese University of Hong Kong that were related to childhood obesity, Mrs Regina IP enquired how the Administration would use the research findings, and asked if obesity was a health issue in Hong Kong. She

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remarked that in many developed countries, obesity was considered a health issue causing increased expenditure in medical services, and their governments were considering imposing an obesity levy on soft drinks manufacturers.

21. USFH advised that despite seeing a trend of more people having obesity problems in Hong Kong, the situation was less serious than that in the United States and European countries. Nevertheless, the Department of Health (DH) had already made a lot of efforts in tackling obesity, and had developed a strategic framework on prevention and control of non-communicable diseases in Hong Kong. A strategic document entitled "Promoting Health in Hong Kong: A Strategic Framework for Prevention and Control of Non-communicable Diseases" was launched to call for community support in the prevention and control of non-communicable diseases. At the community level, the Administration would work with District Councils in launching a "Healthy City" campaign in local communities to promote healthy eating and physical exercise. In 2004, the Department had commissioned HKU to conduct a territory-wide health survey on the height and weight of people over the age of 15. In 2009, it had commissioned the Department of Paediatrics and Adolescent Medicine and the School of Public Health of HKU to conduct a Child Health Survey, and obtained data through the Student Health Service of DH. It might be too early to consider the introduction of an obesity levy in Hong Kong, given the controversial nature of the subject and the fact that it was still under discussion in some developed countries. Besides, such a levy itself as a single measure was not therapeutic to chronic diseases. In any case, the Administration would keep abreast of the discussions taking place in both the academia and the developed countries on the subject.

22. Mr IP Kwok-him said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposal. In reply to Mr IP's enquiry, USFH advised that the total amount of funding support under HHSRF for the 117 projects initiated by independent researchers was about \$50 million, while that for the 19 studies commissioned by the Administration was about \$28 million. Mr IP commented that the number of the commissioned projects was far from satisfactory and urged the Administration to step up its efforts in this regard. USFH responded that the Administration would increase the number and expand the scope of commissioned projects upon the Finance Committee (FC)'s approval of the present proposal.

23. Mrs Regina IP and Mr IP Kwok-him requested the Administration to provide information on how it had used/would use the outputs of the research projects supported by the Fund to support health policy formulation. Ms Miriam LAU suggested that the Administration should provide brief notes on each project included in Enclosure 1 to FCR(2009-10)54 to explain how the findings of the projects had assisted or would assist in the Administration's formulation of health policies and practices. USFH agreed.

(Post-meeting note: The relevant information provided by the Administration was circulated to members on 9 March 2010 vide LC Paper No. FC75/09-10.)

Dissemination of research findings

24. Ms Miriam LAU asked whether there was an effective mechanism for dissemination of the research findings to relevant government officials, professionals/experts and the public. She urged the Administration to well utilize the research outcomes to benefit the society.

25. USFH advised that reports of the research projects supported by the Fund were included under the agenda of the meetings of the Research Council of the FHB which was chaired by the Secretary for Food and Health and comprised representatives from DH, Hospital Authority, academic institutions and the private healthcare sector. Where appropriate, the reports and research summaries would be distributed to relevant policy bureaux/departments for reference and follow up. USFH further advised that the research summaries/outcomes produced from completed projects supported by the Fund were published as Supplements to the Hong Kong Medical Journal, which were distributed to various health-related organizations in Hong Kong, and uploaded onto the website of the Research Fund Secretariat of the FHB for public access. The Chairman requested and USFH agreed to provide the research summaries/outcomes produced from completed projects for members' reference.

(Post-meeting note: The relevant information provided by the Administration was circulated to members on 9 March 2010 vide LC Paper No. FC75/09-10.)

26. The Chairman put the item to vote. The Committee approved the proposal.

27. The Chairman informed members that the next meeting would be held on 25 February 2010, at 10:45 am, to receive a briefing by the Administration on the Budget and Estimates of Expenditure for 2010-2011. The special FC meetings would be held from 22 March to 26 March 2010 to scrutinize the Estimates of Expenditure. The next regular meeting of FC would be held on 23 April 2010.

28. The meeting was adjourned at 5:45 pm.