

立法會
Legislative Council

LC Paper No. CB(2)2263/11-12
(The minutes have been seen by the
Administration)

Ref : CB2/PL/ED

Panel on Education

Minutes of meeting
held on Friday, 20 April 2012, at 10:45 am
in Conference Room 3 of the Legislative Council Complex

- Members present** :
- Hon Starry LEE Wai-king, JP (Chairman)
 - Hon Tanya CHAN (Deputy Chairman)
 - Hon Albert HO Chun-yan
 - Hon LEE Cheuk-yan
 - Hon CHEUNG Man-kwong
 - Hon LEUNG Yiu-chung
 - Hon TAM Yiu-chung, GBS, JP
 - Hon Abraham SHEK Lai-him, SBS, JP
 - Hon Tommy CHEUNG Yu-yan, SBS, JP
 - Hon Audrey EU Yuet-mee, SC, JP
 - Hon Andrew LEUNG Kwan-yuen, GBS, JP
 - Prof Hon Patrick LAU Sau-shing, SBS, JP
 - Hon KAM Nai-wai, MH
 - Hon Cyd HO Sau-lan
 - Dr Hon LAM Tai-fai, BBS, JP
 - Hon Paul CHAN Mo-po, MH, JP
 - Dr Hon Priscilla LEUNG Mei-fun, JP
 - Hon CHEUNG Kwok-che
 - Hon Mrs Regina IP LAU Suk-ye, GBS, JP
 - Dr Hon Samson TAM Wai-ho, JP
 - Hon WONG Yuk-man
- Public Officers attending** :
- Agenda item IV
 - Mrs Cherry TSE, JP
Permanent Secretary for Education, Education Bureau

 - Mrs Michelle WONG
Deputy Secretary for Education (4), Education Bureau

Ms Susanna CHIU
Unofficial Member of the Working Group on Direct
Subsidy Scheme

Ms Virginia CHOI
Unofficial Member of the Working Group on Direct
Subsidy Scheme

Mrs Justina LEUNG
Unofficial Member of the Working Group on Direct
Subsidy Scheme

Agenda item V

Dr K K CHAN
Deputy Secretary for Education (5), Education Bureau

Dr S K KWAN
Principal Education Officer (Curriculum Development) 2,
Education Bureau

Dr TONG Chong-sze
Secretary General, Hong Kong Examinations and
Assessment Authority

Dr George Pook
Deputy Secretary General / Director - Public
Examinations, Hong Kong Examinations and
Assessment Authority

Agenda item VI

Mr Kenneth CHEN, JP
Under Secretary for Education

Ms Michelle LI, JP
Deputy Secretary for Education (1), Education Bureau

Mr Wallace LAU
Principal Assistant Secretary (Higher Education),
Education Bureau

Dr Lawrence TSANG
Vice-Chairman, Project Yi Jin Programme
Management Committee

Agenda item VII

Mr Kenneth CHEN, JP
Under Secretary for Education

Ms Michelle LI, JP
Deputy Secretary for Education (1), Education Bureau

Mrs Dorothy MA
Deputy Secretary General (1), University Grants
Committee Secretariat

Clerk in attendance : Ms Amy YU
Chief Council Secretary (2)6

Staff in attendance : Ms Catherina YU
Senior Council Secretary (2)6

Mr Raymond CHOW
Council Secretary (R)1

Mr Jackie WU
Research Officer (1)2

Miss Meisy KWOK
Legislative Assistant (2)6

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I. Confirmation of minutes
[LC Paper No. CB(2)1692/11-12]

The minutes of the meeting held on 13 February 2012 were confirmed.

II. Information paper issued since the last meeting
[LC Paper Nos. CB(2)1479/11-12(01), CB(2)1561/11-12(01),
CB(2)1706/11-12(01) and CB(2)1756/11-12(01)]

2. Members noted the following papers issued since the last meeting –

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- (a) Submission from The Council of Hong Kong Non-Profit Making Tertiary Institutions concerning the offering of degree programmes by the Vocational Training Council [LC Paper No. CB(2)1479/11-12(01)];
- (b) Submission from The Democratic Party concerning the indecent content in Sharp Daily [LC Paper No. CB(2)1561/11-12(01)];
- (c) Submission from Hong Kong Unison Limited concerning kindergarten education for ethnic minority schoolchildren [LC Paper No. CB(2)1706/11-12(01)]; and
- (d) Letter dated 17 April 2012 from the Secretary for Education concerning the redevelopment project of Ying Wa Girls' School at Robinson Road, Hong Kong [LC Paper No. CB(2)1756/11-12(01)].

3. Regarding (d) above, Mr KAM Nai-wai said that the project scope included demolition of the buildings currently let to the Hong Kong Institute of Technology ("HKIT") but there was no mentioning of the relocation arrangements for HKIT in the Administration's paper [LC Paper No. CB(2)1756/11-12(01)]. He enquired whether the Panel would discuss the proposed capital works project. The Chairman responded that the Panel could discuss the Administration's proposal before its submission to the Public Works Subcommittee ("PWSC") should members so request. Alternatively, members could request the Administration to provide supplementary information first and consider the need to follow up the matter after considering the information.

4. Mr KAM Nai-wai said that he wished to discuss the proposed project at the next Panel meeting on the principle that such arrangement would not delay the submission of the proposal to PWSC and the Finance Committee ("FC"). Mr CHEUNG Man-kwong said that to his understanding, arrangements had been made for the relocation of HKIT. In order not to delay the submission of the proposed project to PWSC and FC, he suggested that instead of discussing the subject matter at the next Panel meeting, the Administration should be requested to provide information on the relocation arrangements of HKIT first. Members agreed.

(Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. CB(2)1865/11-12(01) on 30 April 2012.)

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III. Items for discussion at the next meeting

[Appendices I and II to LC Paper Nos. CB(2)1694/11-12, CB(2)1648/11-12(01) and CB(2)1792/11-12(01)]

5. Members agreed to discuss the following items at the next regular meeting scheduled for 14 May 2012 at 4:30 pm –

- (a) Improvement measures to student loans for post-secondary students;
- (b) Proposed Injection into the HKSAR Government Scholarship Fund and Self-financing Post-secondary Education Fund;
- (c) Sixth Matching Grant Scheme; and
- (d) E-Textbook Market Development Scheme.

6. The Chairman referred members to the letter dated 2 April 2012 from Mr WONG Yuk-man [LC Paper No. CB(2)1648/11-12(01)] requesting the Panel to discuss issues relating to examination questions of Liberal Studies in the Hong Kong Diploma of Secondary Education ("HKDSE") Examination. The Chairman suggested and members agreed that the subject matter be included in the Panel's list of outstanding items for discussion.

7. Miss Tanya CHAN referred members to her letter dated 19 April 2012 expressing concern about the support for pre-primary education for ethnic minority children which was tabled at the meeting. She suggested that the Administration should be requested to provide information in this regard for the Panel to decide the need to follow up the matter. Members agreed.

(Post-meeting note: Miss Tanya CHAN's letter was issued to members vide LC Paper No. CB(2)1792/11-12(01) on 23 April 2012.)

IV. Improvement measures to the administration and governance of Direct Subsidy Scheme Schools

[LC Paper Nos. CB(2)1694/11-12(02) to (03)]

8. Members noted the background brief entitled "Direct Subsidy Scheme Schools" [LC Paper No. CB(2)1694/11-12(03)] prepared by the Legislative Council ("LegCo") Secretariat.

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Briefing by the Administration

9. Permanent Secretary for Education ("PS(Ed)") briefed members on the measures to improve the administration and governance of Direct Subsidy Scheme ("DSS") schools recommended by the Working Group on DSS ("Working Group").

Monitoring of performance

10. Dr LAM Tai-fai declared that he was the founder and current Supervisor of Lam Tai Fai College which was a DSS school. He expressed support for DSS as it had helped to foster a more diversified school system and provided more school choices for parents. While agreeing on the need to enhance the governance and internal control of DSS schools, he was concerned that micro-management of DSS schools by the Administration would stifle the flexibility of the operation of DSS schools, hence defeating the original purpose of establishing DSS. In his view, adopting a uniform mode of governance for all DSS schools would not be effective. Schools should be allowed the flexibility to adopt an approach best suited to their circumstances.

11. Dr LAM Tai-fai further said that the wide public concern about the operation of DSS schools arose from the malpractices of a small number of individual schools, namely the Pegasus Philip Wong Kin Hang Christian Primary School cum Junior Secondary School and The Hong Kong Chinese Christian Churches Union Logos Academy. He did not consider it appropriate for the Administration to impose stringent control on all DSS schools across-the-board owing to the malpractices of a few DSS schools. Non-compliance of rules or guidelines by DSS schools was sometimes due to the fact that schools were unclear about the Administration's requirements. The Administration should explain to DSS schools and assist them in complying the rules and guidelines. He pointed out that sometimes DSS schools received different advice from different regional education offices ("REO") of the Education Bureau ("EDB") and suggested that a DSS schools unit should be set up under EDB to provide advice and assistance to schools.

12. PS(Ed) responded that DSS schools enjoyed a higher level of autonomy and flexibility comparing with aided schools in student admission, tuition fees, investment, utilization of reserve for construction of above-standard facilities and procurement matters. She acknowledged that there were inadequacies in the Administration's monitoring of DSS schools in the past and hence a review was conducted with a view to

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improving DSS schools' governance and administration. As regards the incidents of Pegasus Philip Wong Kin Hang Christian Primary School cum Junior Secondary School and The Hong Kong Chinese Christian Churches Union Logos Academy, the Administration had repeatedly requested the schools concerned to rectify the problems but to no avail. To ensure the compliance of requirements of DSS by schools, the Working Group had recommended that should the school principal concerned fail to rectify the malpractices, the matter would be escalated to the supervisor and School Management Committee ("SMC")/Incorporated Management Committee ("IMC") at the earliest opportunity. She stressed that the Working Group's recommendations sought to improve the administration and internal governance within DSS schools and not to impose more stringent control on DSS schools by EDB.

13. On the setting up of a DSS unit, PS(Ed) responded that the Administration would consider the suggestion in the context of the overall deployment of manpower of EDB. She hoped that schools which had experienced the problem of conflicting advice given by different REOs would reflect the matter to the Administration to help identify the areas for improvements.

14. Dr Priscilla LEUNG considered it important to maintain the autonomy of DSS schools on the one hand and ensure effective monitoring of DSS schools on the other. In her view, the governance and management of DSS schools could be strengthened through putting in place a complaint handling mechanism.

15. PS(Ed) said that many parents had become vocal and would lodge complaints about the unsatisfactory performance of DSS schools. When the complaints could not be resolved at school level, some parents would approach EDB for help. The Administration would discuss with the school concerned in an attempt to arrive at a solution agreeable to all parties concerned.

Fee remission and scholarship

16. Mr CHEUNG Man-kwong said that some students with outstanding performance at sports dared not accept the scholarship offered by DSS schools because they were worried that they could not afford the tuition fees if the schools stopped awarding them scholarship when they no longer did well in sports. This reflected the worries and difficulties of economically disadvantaged students in studying in DSS schools. He considered it important for the Administration to take concrete measures to

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ensure that DSS schools would admit a certain number of economically disadvantaged students and would not be serving only the rich.

17. Referring to Annex II of the Administration's paper on the utilization rate of fee remission/scholarship schemes of DSS schools in the 2009-2010 school year, Mr CHEUNG Man-kwong noted with concern that 26% of the schools had utilized less than 50% of the provision. He further said that there should be separate provisions for fee remission and scholarship as they served different purposes. The former aimed to provide financial assistance to needy students while the latter was a form of recognition of students' achievements. Having separate provisions for fee remission and scholarship would help provide a more accurate picture on the utilization of fee remission by individual schools.

18. PS(Ed) said that as pointed out in Report No. 55 of the Public Accounts Committee ("PAC Report"), one of the reasons for the low utilization rate was that the eligibility criteria for fee remission were not publicized or written in an easily understandable manner. To improve the utilization of fee remission provision, schools were required to enhance the transparency of the eligibility criteria for fee remission by posting the information onto the schools' websites and including such information in application forms for student admission. Given that DSS schools were required to adopt a "needs blind" admission policy i.e. applications for admission would be considered without regard to the applicants' financial situation, it could help ensure that needy students who met the schools' admission requirements be admitted. Furthermore, DSS schools were required to offer fee remission/scholarship schemes with eligibility benchmarks no less favourable than those of the government financial assistance schemes for students ("no less favourable schemes"). Currently, about 20% of the total number of students in DSS schools came from families receiving Comprehensive Social Security Assistance or received School Textbooks Assistance, which indicated that overall, DSS schools had put efforts in admitting more needy students. The Administration would keep in view the number of needy students admitted by DSS schools as well as the utilization of fee remission provision in the coming two years and introduce additional measures to encourage DSS schools to admit more needy students if necessary.

19. Mr CHEUNG Man-kwong requested the Administration to approach DSS schools with low utilization of fee remission provision to discuss ways to increase the admission of needy students. PS(Ed) undertook to do so.

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20. Dr Priscilla LEUNG said that it would not be a good thing if a school comprised only students from well-off families. Students would have a broader outlook if their classmates came from different socio-economic strata. Capable students should not be deprived of the chance of being admitted to DSS schools due to a lack of means, and DSS schools should be generous in giving out fee remission.

21. Ms Cyd HO pointed out that DSS schools were required to set aside at least 10% of their total tuition fee income to provide fee remission/scholarship for deserving students if their tuition fee did not exceed the DSS unit subsidy rate. If a DSS school charged a tuition rate higher than the DSS unit subsidy rate, it was required to set aside additional amount of tuition fee for the fee remission/scholarship schemes. The Administration should ensure that parents were provided with the full information on fee remission/scholarship schemes to facilitate their choice of school.

22. PS(Ed) clarified that for DSS schools which charged a tuition fee between two-third ($\frac{2}{3}$) and two and one-third ($2\frac{1}{3}$) of the DSS unit subsidy rate, they were required to set aside 50 cents for fee remission/scholarship scheme for every additional dollar charged over and above two third ($\frac{2}{3}$) of the DSS unit subsidy rate.

23. Ms Cyd HO further said that members had previously suggested that DSS schools should award scholarship to deserving students starting from Secondary 1 and the scholarship should cover their entire 6-year study period. This would alleviate their worries about having to discontinue their studies at DSS schools due to financial difficulties should they become ineligible for the scholarship. She regretted that the Administration had not taken on board members' suggestion. To prevent DSS schools from serving only the rich, the Administration should carefully monitor DSS schools especially those charging high tuition fees to ensure that the required amount was set aside for fee remission/scholarship.

24. PS(Ed) responded that DSS schools were prepared to provide fee remission to needy secondary students for the entire 6-year study period if their family income had not improved throughout the study period. However, setting six years as the default duration of remission would be neither necessary nor justified. Students should cease to receive remission if, in the course of their study, their family circumstances had so improved that they no longer met the eligibility criteria as it would be unfair to students in need of financial assistance if schools continued to provide fee

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remission to those students whose family income had increased and had far exceeded the eligibility benchmarks.

25. The Chairman said that there was wide public concern on the operation of DSS schools following the release of the PAC Report. The two major areas of public concern were that DSS schools had become "noble schools" and the inadequacies in the Administration's monitoring of DSS schools. The Administration had attempted to address the first concern by enhancing the transparency of remission/scholarship schemes of DSS schools. She enquired whether the Administration had conducted any systematic study on the admission of needy students by DSS schools to ascertain if DSS schools had indeed become "noble schools".

26. PS(Ed) responded that given that the reserve set aside for fee remission and scholarship could not be used for other purposes, DSS schools should have no motive to idle the reserve. Having regard to PAC's concern that inadequate information on the eligibility criteria of fee remission/scholarship schemes might discourage needy parents from applying for their children's admission to DSS schools, the Administration considered it necessary, as a first step, to enhance the transparency of the schemes. DSS schools had responded positively to the call of the community as evidenced by the increase in the utilization of fee remission/scholarship provisions. In the 2009-2010 academic year, 42% of the DSS schools had used more than 100% of the fee remission/scholarship provisions and the percentage had increased to 53% in the 2010-2011 academic year. The Administration would continue to collect information on and monitor closely the utilization of fee remission/scholarship provision in the coming few years. Further improvement measures would be implemented if necessary.

27. PS(Ed) supplemented that as the average unit subsidy rate per student was the same for DSS schools and aided schools, DSS schools could provide services comparable to those of aided schools without charging any tuition fee. As a matter of fact, some DSS schools did not charge any tuition fees though DSS schools which wished to provide above-standard facilities and services to students could charge tuition fees. Schools charging tuition fee could use the tuition fee income to engage the required manpower, if necessary, in managing the additional facilities and services.

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Views of some DSS school principals and the Hong Kong Federation of Education Workers on the Working Group's recommendations

28. Mr TAM Yiu-chung said that the Democratic Alliance for the Betterment and Progress of Hong Kong had collected views of the Hong Kong Federation of Education Workers ("HKFEW") and some principals of DSS schools on the Working Group's recommendations. The views expressed by the principals of DSS schools were as follows –

- (a) the Working Group's recommendations in the following five areas were unacceptable, namely (i) fee remission/scholarship; (ii) the setting up of governance review sub-committee; (iii) the system and scope of management and financial audit; (iv) measures to ensure compliance of requirements of DSS by schools; and (v) conducting self-assessment by completing self-evaluation checklists. These stringent control would hamper the flexibility of DSS schools, hence defeating the original purpose of establishing DSS;
- (b) the proposed setting up of governance review sub-committee would result in a multi-layered governing structure, undermining the power of SMC/IMC and the management of schools and reducing administrative efficiency of schools;
- (c) the proposed measures to ensure compliance of requirements of DSS by schools, including escalation of advisory letters to supervisors, escalation of warning letters to SMC/IMC members, disclosure of the non-compliance or malpractices to the public and suspension of DSS subsidy, were more stringent than those implemented in aided schools and government schools and would be detrimental to the mutual trust between DSS schools and EDB;
- (d) concern was raised on whether the Working Group had duly considered the culture of the education sector and the frontline operation of DSS schools in drawing up the recommendations, given that the Working Group did not comprise any representative from the education sector and DSS schools;
- (e) the implementation of the recommendations of the Working Group would significantly increase the administrative work of DSS schools; and

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- (f) the Hong Kong DSS Schools Council should continue to liaise with the Administration to prevent the autonomy and flexibility of DSS schools from being further eroded.
29. Mr TAM Yiu-chung further conveyed HKFEW's views as follows –
- (a) a proper balance should be drawn between maintaining the flexibility and autonomy of DSS schools on the one hand and enhancing the governance of DSS schools on the other;
 - (b) DSS schools should be given more flexibility in the use of tuition fees to enable them to provide more diversified services, while the Administration should enhance the regulation of the use of public fund provided to DSS schools; and
 - (c) the roles of governance review sub-committee and SMC/IMC should be coordinated with a view to striking a proper balance between their powers and responsibilities.
30. PS(Ed) stressed that since a governance review sub-committee would be accountable to and assist SMC/IMC in discharging its functions, there was no cause for concern that it would undermine the power of SMC/IMC. The proposed escalation of advisory letters and warning letters aimed to alert the supervisors and SMC/IMC of the malpractices so that remedial measures could be taken at the earliest opportunity. The disclosure of the malpractices sought to exert deterrent effect on non-complying schools to tackle the problems before more stringent actions were taken by the Administration. As the suspension of DSS subsidy would affect the interest of students attending the schools, she assured members that the Administration would not resort to this measure lightly. As regards the self-evaluation checklist, it aimed to increase the awareness of DSS schools of the need to put in place checks and balances within the schools for self-improvement.
31. On the concerns expressed by some DSS school principals on the Working Group's recommendations on the fee remission/scholarship schemes, PS(Ed) said that the current design of the fee remission/scholarship schemes was, right from the very beginning, an integral element of the formulation of DSS' level of subsidy and flexibility to charge tuition fees. The only change to the design that the Working Group had recommended was to enhance the transparency and accessibility of information on fee remission/scholarship schemes to

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facilitate parents to apply for the schemes. The Administration had not adjusted the percentage of tuition fee income required to be set aside for the schemes.

32. PS(Ed) further said that the Working Group had conducted a total of 19 consultation sessions within 11 months to tap views of the DSS school sector on the proposed improvement measures. The Working Group had refined some of its recommendations having regard to the views collected as detailed in the Report. Some of the Working Group's recommendations were made in response to the requests of members of some SMCs/IMCs, who had indicated to the Administration that they felt helpless even when they wished to discharge their oversight role since the management of some DSS schools were sometimes reluctant to provide them with the necessary information. They considered it necessary to enhance the transparency of the operation of DSS schools so that they could discharge their duties as members of SMC/IMC more effectively.

33. PS(Ed) added that while the employment and remuneration of aided school teachers were regulated by the Administration, DSS schools were free to decide the employment terms and remuneration of teachers. The amount of financial provision for an aided school with 29 classes was \$8 million while, including tuition fees, the annual income at the disposal of a DSS school of the same scale was \$60 million. Requiring DSS schools to enhance the transparency of their operation and strengthen their governance was in line with the expectations of parents and the community at large.

Support to SMC/IMC and governance review sub-committee

34. Mrs Regina IP declared that she was a member of the IMC of a DSS school in Sham Shui Po. Given the great disparity in the standards of DSS schools, she agreed that the governance of DSS schools should be strengthened. Noting the Working Group's proposal for all DSS schools to set up a governance review sub-committee accountable to the SMC/IMC, she was concerned whether DSS schools would be able to find suitable persons to serve on these sub-committees, pointing out that persons with relevant experience or expertise often had other commitments and might not be able to devote much time to participate in the governance of DSS schools. She considered it important for the Administration to enhance support to DSS schools in this regard.

35. The Chairman expressed concern about the effectiveness of the governance review sub-committee if its members could only serve on the

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sub-committee on a voluntary basis. She enquired about the support the Administration would provide to members of governance review sub-committee in discharging their functions.

36. PS(Ed) responded that since SMC/IMC normally only held a few meetings a year, SMC/IMC members were unable to look into all school matters in detail. As such, the Working Group had recommended that DSS schools should conduct self-assessment by completing a self-evaluation checklist covering important areas such as human resources management and financial matters. The governance review sub-committee, comprising three to four members, would conduct system review of various key management and financial control systems and processes, in turn, including whether the various checks and balances were working as intended and as reported.

37. PS(Ed) added that the Administration was discussing with the Hong Kong DSS Schools Council on training programmes to be provided to SMC/IMC members as well as the management and clerical staff of DSS schools. According to some members of the Working Group who were present for the Panel discussion and who were members of Hong Kong Institute of Directors or Hong Kong Institute of Certified Public Accountants ("HKICPA"), some of their fellow members were willing to provide support to DSS schools. DSS schools could approach the Administration should they require assistance from these professionals.

38. Ms Susanna CHIU, Unofficial Member of the Working Group, said that she was the Vice President of HKICPA. In her view, it was important for members of SMC/IMC and governance review sub-committee to recognize their responsibilities and face up to the internal governance problems of the schools. She believed that the Working Group's recommendations would facilitate SMC/IMC to monitor and strengthen the internal governance of DSS schools. The proposed governance review sub-committee was not to replace but to assist SMC/IMC in reviewing the integrity of various management and financial systems with a view to improving the governance of DSS schools. The Administration could consider inviting individuals who were experienced in governance, human resources and financial management to join SMC/IMC and governance review sub-committee.

39. Ms Virginia CHOI, Unofficial Member of the Working Group, said that she had visited some schools and listened to the views of key stakeholders including parents, students, teachers and management of schools. She hoped that DSS schools would attach greater importance to

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human resources management which would be useful in staff motivation and recruitment.

V. Progress on the implementation of the New Academic Structure

[LC Paper Nos. CB(2)1694/11-12(04) and (05)]

40. Members noted the background brief entitled "Implementation of the new academic structure" [LC Paper No. CB(2)1694/11-12(05)] prepared by the LegCo Secretariat.

Briefing by the Administration

41. Deputy Secretary for Education (5) ("DS(Ed)5") briefed members on the progress on the implementation of the new academic structure ("NAS"), the delivery of the Hong Kong Diploma of Secondary Education ("HKDSE") Examination and related issues as detailed in the Administration's paper [LC Paper No. CB(2)1694/11-12(04)].

Liberal Studies

Liberal Studies Curriculum Support Grant

42. Mr CHEUNG Man-kwong expressed concern about the cessation of the Liberal Studies Curriculum Support Grant ("LS Grant") at the amount of \$320,000 per school with effect from the 2012-2013 school year. He pointed out that given the inadequate manpower resources and lesson time allocated to Liberal Studies ("LS"), the workload of LS teachers was already very heavy. Should the Administration cease to disburse the LS Grant, schools would need to reduce the manpower support to LS teachers in the preparation of School-based Assessment and teaching materials and the workload of LS teachers would be further increased. He enquired whether the Administration would consider continuing the disbursement of LS Grant.

43. DS(Ed)5 responded that the Administration was examining the information provided by schools on their utilization of the LS Grant. The Administration would take into account the support required by schools and the utilization of the LS Grant in any viable recommendation.

44. Mr CHEUNG Man-kwong said that he recognized the low utilization of the LS Grant by some schools in the first year. As schools were informed of the provision of the LS Grant near the commencement of

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the 2010-2011 school year, they did not have sufficient time to plan for its use. With the growing number of senior secondary students studying LS, there would be greater need for the LS Grant. He cautioned that the reduction in the support for LS would undermine the development of the subject. He called on the Administration to seriously consider continuing with the LS Grant.

Assessment of LS

45. Mr CHEUNG Man-kwong further said that there was concern that the political stance indicated by candidates in their answers might affect their results in the LS examination. He opined that fairness in the assessment of LS examination papers was essential to the credibility and reliability of the LS public examination and enquired whether the Administration would make public samples of the 2012 HKDSE LS marked examination scripts to address the concern.

46. Secretary General, Hong Kong Examinations and Assessment Authority ("SG/HKEAA") responded that as examination scripts were a kind of personal data, HKEAA would need to obtain the consent from the candidates before making samples of LS examination scripts available to the public. HKEAA would make such arrangements if necessary.

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Design and setting of examination questions

47. Mr WONG Yuk-man referred members to his letter to the Chairman [LC Paper No. CB(2)1648/11-12(01)] expressing concern about a question in the 2012 HKDSE LS examination paper which required candidates to give answers in respect of materials on party politics in Hong Kong. Candidates were asked to refer to the popularity ratings of political parties obtained from a survey with a low response rate in answering the question, and there was concern that the examination question was a leading question. He had also received a letter from a member of the public pointing out that the wording of the Chinese version of the examination question concerned was inappropriate, the syntax was disorganized and did not comply with the grammar of Chinese language.

48. Mr WONG Yuk-man said that he had also written to HKEAA in this regard and was dissatisfied with HKEAA's response. According to HKEAA's reply to his letter, in assessing students' performance in LS examination, consideration would be given to whether candidates were able to understand the questions and express their views clearly with justifications; and political stance of candidates was not a key factor in the

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assessment. Given that the Chinese version of examination question concerned was poorly written, candidates had found it difficult to comprehend it. He had received calls from a number of candidates indicating that they could not express their support to People Power freely when answering the LS question as they were worried that they would get low marks. He pointed out that the problems arising from HKDSE Examination had yet to emerge and the problems in the LS examination questions were only the tip of the iceberg. He considered it necessary for the Administration to review the mechanism for designing examination questions for LS.

49. Dr Priscilla LEUNG also expressed grave dissatisfaction with the question on party politics in the 2012 HKDSE LS examination. She pointed out that the question involved concepts relating to party politics and opinion surveys which were taught in undergraduate studies and queried whether secondary students could master the concepts and answer the question. She also expressed grave concern about the impact of the LS examination results on students' chance of being admitted to local universities. She had all along held the view that LS should not be a mandatory subject. In her view, if it must be a mandatory subject, students' results in the subject should only be reported as "Pass" or "Fail" and should not affect their admission to local universities.

50. Ms Cyd HO referred to one of the questions in the 2012 HKDSE Chinese Language paper on which candidates were examined on their understanding of ancient Chinese language. In her view, the question was too difficult and given that HKDSE no longer used norm referencing to report candidates' examination results, such difficult questions would affect candidates' results. HKEAA should review the design and setting of examination questions for the HKDSE Examination.

Remission of fees for remarking/rechecking of examination results

51. Ms Cyd HO said that she had earlier requested the Administration to consider waiving the rechecking/remarking fees for needy candidates so as to ensure that they would not be deprived of the opportunity to apply for rechecking/remarking of their examination results due to a lack of means. According to HKEAA, it would consider waiving part of the rechecking/remarking fees on a case-by-case basis. She considered such arrangement unacceptable as a remarking fee as high as \$720 was not affordable for the economically disadvantaged candidates. Given the concerns over the assessment of LS, she anticipated that there would be a lot of applications for remarking of results. She urged the Administration

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and HKEAA to provide fee remission for rechecking/remarking for needy students.

52. SG(HKEAA) responded that pamphlets on applications for rechecking/remarking, which included information on financial assistance to needy students for such applications, would be sent to schools and students in June 2012 after completion of the HKDSE Examination. Since rechecking/remarking of examination results were not essential examination services, HKEAA had to take into account the implications on its resources and the applicants' needs in considering applications for financial assistance. The Chairman requested HKEAA to further consider Ms Cyd HO's view.

Adequacy of post-secondary school places

53. Ms Cyd HO noted from paragraph 13 of the Administration paper [LC Paper No. CB(2)1694/11-12(04)] that for the 2012-2013 school year, there would be 15 150 publicly-funded first-year-first-degree places each for students taking the Hong Kong Advanced Level Examination ("HKALE") and HKDSE Examination respectively, and a total of around 110 000 locally accredited post-secondary and continuing education/vocational education and training places would be available to secondary school leavers. She enquired about the total number of students in the double cohort year of 2012 and whether the places available would be sufficient to meet the demand. DS(Ed)5 responded that the provision of around 110 000 further studies/training places was generally sufficient to meet the demand of the 103 500 school candidates in the double cohort year of 2012.

International recognition of HKDSE qualification

54. Mrs Regina IP sought detailed information on the international recognition of the HKDSE qualification, including the recognition by renowned universities in the United Kingdom, the United States ("US"), Australia, New Zealand and Canada, and how it compared with that of HKALE.

55. SG/HKEAA responded that the Administration had put a lot of efforts to promote the HKDSE qualification in the past few years and in general, the qualification was well recognized by overseas tertiary institutions. Given the importance they attached to nurturing students' critical thinking, tertiary institutions in US and Canada were particularly interested in the LS subject of HKDSE. More than 110 universities

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worldwide had recognised the HKDSE qualification so far, while HKALE was recognized by more than 90 overseas universities. The relevant information was available on the HKEAA website for parents and students' reference. At the request of Mrs Regina IP, the Administration agreed to provide members with details of the overseas universities which had recognized the HKDSE qualification.

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56. Mrs Regina IP queried the need for the Administration to promote the HKDSE qualification in developing countries such as Vietnam, Brunei and Indonesia. In her view, the Administration should step up the promotion of HKDSE in developed countries instead.

57. DS(Ed)5 responded that the overseas promotion by the Education Bureau covered not only the HKDSE qualification, but also university education as part of the education hub development in Hong Kong. The Administration hoped that the promotion would help attract overseas students, including those from developing countries, to pursue higher education in Hong Kong.

VI. Yi Jin Diploma under the New Academic Structure

[LC Paper Nos. CB(2)1694/11-12(06) to (07)]

58. Members noted the background brief entitled "Project Yi Jin" [LC Paper No. CB(2)1694/11-12(07)] prepared by the LegCo Secretariat.

59. The Chairman drew members' attention to Rule 83A of the Rules of Procedure concerning personal pecuniary interest to be disclosed which provided that, in the Council or in any committee or subcommittee, a Member should not move any motion or amendment relating to a matter in which he had a pecuniary interest, whether direct or indirect, or speak on any such matter, except where he disclosed the nature of that interest. She reminded members to declare interests in the matter under discussion, if any.

Briefing by the Administration

60. US(Ed) briefed members on the Administration's proposal on the new Yi Jin Diploma ("YJD") programme, which was modelled on the existing Project Yi Jin ("PYJ"), under NAS.

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Contact hours for language subjects

61. Ms Cyd HO said that given that PYJ students generally had a lower academic achievement, she had all along considered the total number of contact hours for English and Chinese subjects under PYJ inadequate to improve the students' language ability. To help students of the new YJD programme to attain the standard comparable to Level 2 in HKDSE Examination for the Chinese language and English Language subjects, she considered it necessary for the Administration to increase the resources and allocate additional contact hours for the language subjects under the new YJD programme.

62. US(Ed) responded that the exit standard of the new YJD programme was assessed by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and deemed comparable to the attainment of Level 2 standard in five subjects including Chinese Language and English Language in the HKDSE Examination; and accepted by member institutions of the Federation for Continuing Education in Tertiary Institutions ("FCE") as meeting the admission criteria of their Associate Degree and Higher Diploma or equivalent programmes. He stressed that the purpose of the new YJD programme was not to prepare students for the HKDSE examination again but rather to provide them with an alternative pathway to obtain a formal and equivalent qualification for the purposes of employment and further study. Having regard to the academic background of PYJ students, it would be more suitable to adopt an alternative teaching approach which could rekindle their interest in learning. According to past experience, the pedagogy adopted by PYJ programme had proven to be effective.

Financial support for students

63. Mr CHEUNG Man-kwong said that the Administration had emphasized in its paper the increase in the financial support to be provided to students of the new YJD programme with the introduction of an additional tier of 50% means-tested fee reimbursement but did not mention about the increase in the tuition fees, which would increase from \$27,000 to \$29,000 under the existing PYJ to \$30,000 to \$32,000 under the new PYD programme in the 2012-2013 academic year, representing an increase of more than 10%. Notwithstanding the Administration's proposed enhancement in financial assistance for students of the new YJD programme, the increase in tuition fees would still impose a financial burden on many students. Given that individuals pursuing continuing education were eligible for subsidies from the Continuing Education Fund

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("CEF") subject to the maximum ceiling of HK\$10,000 per applicant, he suggested that students of the new YJD programme be allowed to apply for subsidies under CEF to reduce their tuition fee burden.

64. US(Ed) responded that the level of the qualifications obtained under the existing PYJ programme and the new YJD programme was different. While PYJ graduates had to take a one-year articulation programme before they were eligible for admission to sub-degree programmes, holders of new YJD had met the admission criteria for sub-degree programmes which enabled them to be admitted directly. At the request of the Chairman, US(Ed) undertook to discuss Mr CHEUNG's Man-kwong's suggestion with the Labour and Welfare Bureau which oversaw the policy and implementation of CEF, and revert to the Panel before the funding proposal was submitted to FC.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)1906/11-12(01) on 4 May 2012.)

65. Mr Andrew LEUNG declared that he was the former Chairman of the Vocational Training Council which ran PYJ programmes. According to his observation, PYJ graduates who had attained satisfactory results and further pursued Higher Diploma or equivalent programmes had comparable standards with other students pursuing these post-secondary programmes. He expressed support for the new YJD programme as it provided students with an alternative pathway to pursue further studies. He enquired whether all needy students would receive financial assistance under the new YJD programme.

66. US(Ed) responded that all students who had achieved 80% attendance or above and passed the assessment for the module were eligible for a non-means-tested reimbursement of 30% of the tuition fees paid for each satisfactorily completed module. Needy students who were assessed to be eligible for full level of assistance under the means test administered by the Student Financial Assistance Agency ("SFAA") were eligible for 100% reimbursement of the tuition fees paid for each satisfactorily completed module. On top of these two tiers of financial support, the Administration had proposed to introduce an additional tier of 50% means-tested fee reimbursement for students passing the standard means test certifying their eligibility for half assistance by SFAA. It was estimated that the additional 50% reimbursement level would benefit around 8 000 to 12 000 students, or about 11% to 13% of the annual student population, over five academic years. Hence, there would be substantial increase in the number of students benefitting from the

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financial assistance despite the increase in tuition fees of the new YJD programme. He added that the level of financial support for the new YJD students was on par with that for students enrolled in evening adult education courses.

67. Mrs Regina IP welcomed the new YJD programme as PYJ had helped many secondary school leavers in pursuing further studies and securing employment. She enquired whether the seven FCE member institutions running the new YJD programme were non-profit making institutions. US(Ed) responded in the affirmative, adding that it was the Administration's requirement that institutions running the new YJD programme should be non-profit making.

Support services for the new YJD students and teachers

68. Noting that \$100 million of the proposed \$1-billion financial commitment for the implementation of the new YJD programme was for provision of enhanced support to teachers and students, Mrs Regina IP sought information on the support services to be provided for the teachers. Referring to paragraph 9 of the Administration's paper, Deputy Secretary for Education (1) ("DS(Ed)1") said that the enhanced support services included strengthening student activities, teacher development and advisory services for students on career/articulation planning and sharing of good practices. In response to Mrs IP's further enquiry on whether visits to the Mainland and other countries could be arranged for students of the new YJD programme, DS(Ed)1 said that institutions were allowed flexibility in using the funding for arranging student activities which met the learning needs and helped broaden the horizons of students.

Effectiveness of PYJ

69. The Chairman also welcomed the new YJD programme which would provide an alternative pathway for Secondary 6 school leavers under NAS to obtain a formal qualification for the purpose of employment and further studies. In her view, one of the indicators of the success of PYJ was the future development of its graduates. She enquired whether the Administration had conducted any scientific study on the effectiveness of PYJ.

70. US(Ed) responded that the Administration conducted annual surveys on the PYJ graduates. According to the surveys, around 50% of the graduates were engaged in work and around 40% pursued further studies. DS(Ed)1 supplemented that PYJ had provided its graduates

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different opportunities for employment and further studies. The PYJ qualification was recognized by the Civil Service Bureau and around 2 300 PYJ graduates had joined the civil service in the past 10 years, about 2 000 of whom were recruited by the disciplined services. Since PYJ had helped students develop a proactive attitude towards lifelong learning, many PYJ graduates had pursued multiple pathways for further studies. A PYJ graduate had attained a doctoral degree and was now teaching in a post-secondary institution.

71. Members generally supported the submission of the funding proposal to FC for consideration.

VII. Self-financing post-secondary sector

[LC Paper Nos. CB(2)1694/11-12(08), IN21/11-12 and IN22/11-12]

72. Members noted the information notes entitled "Development of self-financing post-secondary sector" [LC Paper No. IN21/11-12] and "Surplus generated by the University Grants Committee-funded institutions from self-financing programmes" [LC Paper No. IN22/11-12] prepared by the Research Division of the LegCo Secretariat.

Briefing by the Administration

73. US(Ed) briefed members on the policies and latest position on the development of the self-financing post-secondary education sector.

Regulatory measures on surplus generated from self-financing programmes

74. Mr CHEUNG Man-kwong noted with concern the huge surplus generated from the self-financing programmes of the University Grants Committee ("UGC")-funded institutions. In the 2010-2011 academic year, the surplus and tuition fee income of the self-financing programmes offered by the UGC-funded institutions amounted to some \$1 billion and \$50 billion respectively. He was particularly concerned about the case of the City University of Hong Kong ("CityU"), which had made a surplus of \$225 million from its self-financing operation in the 2010-2011 academic year, representing a surplus margin as high as 24%. In his view, CityU was reaping excessive profits. He considered the huge profits made by the UGC-funded institutions from the self-financing programmes unfair to students who had shouldered part of the start-up loans of the institutions by paying high tuition fees, and urged the Administration to adopt stringent

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measures to regulate the profit of self-financing programmes operated by the UGC-funded institutions. The measures he suggested included –

- (a) setting a cap on the profit margin of self-financing programmes of the UGC sector;
- (b) specifying that the amount of surplus exceeding the profit margin cap, if any, should be used for reduction of tuition fees, tuition fee remission or scholarship. Should an institution fail to do so, the amount should be regarded as other income and the recurrent funding to be granted to the institution concerned would be reduced by the same amount;
- (c) all UGC-funded institutions should adopt uniform accounting guidelines and method for the calculation of tuition fee income, operating expenses and surplus; and
- (d) the UGC-funded institutions should make public all their financial accounts for the scrutiny of LegCo and the public.

75. Mr CHEUNG added that the regulatory measures he proposed should not apply to the self-financing institutions which had not received any government funds as they needed to secure more resources to support their development.

76. US(Ed) responded that as stated in Annex A to the Administration's paper [LC Paper No. CB(2)1694/11-12(08)], the Community College of CityU achieved a steady income and surplus primarily because of cost containment through using shared on-campus facilities and administrative support, thereby lowering depreciation charges and facilities management fees. The Administration recognized members' concern about the surpluses generated from the self-financing operations of the UGC-funded institutions and agreed that enhancing the transparency of the sector would facilitate public monitoring. In this regard, the UGC-funded institutions had already made public financial information on the operation of their self-financing programmes, as set out in the Administration's paper to the Panel. The Administration would bring members' concerns about the operation of the self-financing programmes (including the surplus level, usage of the surplus and mechanism for setting tuition fees) for discussion by the newly-established Committee of Self-financing Post-secondary Education ("the Committee"), and invite the Committee to discuss measures to promote transparency and good practices. Where necessary, the Administration would take steps to ensure that the sector would adopt

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the good practices. The Administration would report the outcome of the Committee's discussions to the Panel in due course. He added that he shared Mr CHEUNG Man-kwong's view that different regulatory measures should be adopted for UGC and the non-UGC funded institutions given their different funding arrangements.

77. Mr CHEUNG Man-kwong sought information on the ownership of the campus buildings for which start-up loans had been granted after the loans had been fully repaid. He considered it unfair to students if the institutions concerned leased the campus buildings for the operation of other self-financing programmes to make profits after the start-up loans had been fully repaid. US(Ed) responded that the Administration recognised Mr CHEUNG's concern and would look into it.

78. Ms Cyd HO was of the view that for non-UGC-funded institutions which had been granted land by the Administration, they should also be subject to government regulation although the regulation could be less stringent. Only those self-financing institutions which had not received any subsidy including land grant from the Government could be exempted from regulation.

79. In response to Mrs Regina IP's enquiry, US(Ed) confirmed that self-financing post-secondary institutions were required to operate on a non-profit making basis. Mrs IP opined that notwithstanding that these institutions were non-profit making, pecuniary interests were involved as they could expand their staff establishment and increase staff remuneration when there were surplus. She was concerned that some institutions' prime concern was to make money and students' interests would be sacrificed. She pointed out that CityU had intended to substantially reduce the number of self-financing articulation places for sub-degree holders and wondered whether such a move was to make more profits by getting rid of programmes which recorded a deficit.

80. US(Ed) responded that there was significant year-on-year volatility in respect of the surplus/deficit generated from the self-financing post-secondary programmes over the past three years, and the majority of tuition income of the self-financing programmes was attributable to programmes at postgraduate and undergraduate levels, many of which were offered on part-time basis targeting working adults. Some of these programmes were very popular and charged relatively high fees. The Administration respected the autonomy of institutions in deciding the types of programmes to be offered.

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81. Regarding the number of the intake places of CityU's self-financing articulation programmes for sub-degree holders, DS(Ed)1 said that to complement the development of the higher education sector, the number of publicly-funded senior year undergraduate places had been increased for the 2012-2013 to 2014-2015 triennium. To cater for the need for additional facilities arising from the increase in senior year undergraduate places, CityU had planned to scale down its self-financing degree programmes progressively so as to free up space for the additional facilities required. Subsequent to the Administration's discussion with CityU and having considered the impact on the affected sub-degree students, CityU had decided to continue the operation of the self-financing articulation programmes in the coming two academic years.

82. Ms Cyd HO said that some of CityU's staff who originally taught degree programmes had to take a pay cut when they were deployed to teach sub-degree programmes because of the projected deficit in these programmes. However, it turned out that CityU made substantial surplus from its sub-degree programmes. The dispute between CityU and these teaching staff had yet to be resolved. Subject to academic freedom not being undermined, she considered it necessary for the Panel to study the operation of CityU's self-financing sub-degree programmes, particularly the financial aspects. Ms HO further said that since CityU was funded by UGC, the audit commission should conduct an audit on the University. She requested the Administration to provide information on CityU's usage and deployment of the surplus generated from its sub-degree programmes and the audited accounts of CityU.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)1950/11-12 on 9 May 2012.)

83. The Chairman enquired about actions to be taken by the Administration to address members' concern on the huge surplus of CityU's self-financing programmes. US(Ed) responded that the Administration would relay members' views to and discuss the matter with the management of CityU.

84. Mr Andrew LEUNG considered it inappropriate to impose stringent regulatory measures across the board merely on account of the case of CityU. In his view, it would be adequate for the Administration to discuss the matter with CityU and provide it with suitable guidelines. Nevertheless, he agreed that it was important for the Administration to put in place a transparent mechanism to regulate the uses of the tuition income and surplus generated from self-financing programmes and ensure that there was no cross-subsidization of UGC resources to self-financing activities.

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85. Mr Albert HO said that merely enhancing the transparency of the financial accounts of self-financing programmes was inadequate and considered it necessary for the Committee to come up with policies and concrete measures to monitor the self-financing post-secondary sector. He pointed out that the success of self-financing programmes offered by the institutions was attributable to the Administration's support and subsidies including the provision of loans to students studying these programmes. He considered it doubtful as to whether the institutions had reflected all the costs, including the support of the administrative staff funded by UGC resources and intangible costs such as the goodwill of the institutions, in calculating the surplus of the self-financing programmes. In his view, it was important for the Administration to regulate the level and usage of surplus generated from self-financing programmes to ensure that the institutions did not detract from their core activities of providing publicly-funded programmes and use their surplus equitably for the benefit of local students.

86. Miss Tanya CHAN echoed the view on the need to regulate the operation of the self-financing sector. She suggested that the level of surplus generated from self-financing programmes should be one of the factors taken into account by UGC in considering the amount of recurrent grants to be provided to institutions. She urged the Administration to draw up guidelines on the use of surplus generated from the self-financing programmes and provide a timetable for reverting to the Panel in this regard.

87. US(Ed) shared members' view that institutions should use the surplus on students. The UGC-funded institutions should keep separate accounts for the publicly-funded and self-financing programmes to ensure that there was no cross-subsidization of UGC resources to self-financing activities. The Administration considered it important to strike a proper balance between upholding academic freedom and institutional autonomy on the one hand and regulating the operation of self-financing activities of the institutions on the other. The Committee comprising representatives from institutions and persons well-versed with the development of higher education was an appropriate platform to discuss members' concerns about the regulation of the self-financing sector. In the view of the Administration, enhancing the transparency of the institutions' operations was an important first step to be taken to facilitate monitoring by the public. He added that as the self-financing post-secondary sector was still at its early stage of development, the Committee would also provide a useful forum for discussion and forging of consensus among institutions and the Administration on the operation of the sector with a view to facilitating its

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development. The first meeting of the Committee was scheduled for May 2012.

88. The Chairman pointed out that the average student unit cost for publicly-funded degree programmes was about \$200,000 a year and the total student cost for completing a four-year degree programme was about \$800,000. As for self-financing programmes, the average tuition fee was around \$50,000 a year, i.e. \$200,000 for a four-year programme. She found it odd that self-financing post-secondary programmes could generate a surplus of 10% to 20% with a tuition fee of some \$200,000, while the student unit cost for a publicly-funded programme was some \$800,000. She was not convinced that the figures provided in Annex A to the Administration paper reflected the true picture, pointing out that the figures might be affected by the accounting guidelines adopted by individual institutions on internal charging of the operating costs. She considered it unacceptable that the figures were presented according to individual institutions' accounting guidelines which had failed to give a useful comparison of the situations in different institutions.

89. US(Ed) responded that the costs for public-funded and self-financed degree programmes were not directly comparable. He pointed out that around 25% of the funding granted to the UGC-funded institutions was for research. Furthermore, unlike the publicly-funded programmes such as those in the medical and engineering disciplines, facilities such as laboratories and the injection of a large amount of resources were not required for self-financing programmes. The Chairman however, pointed out that most of the programmes offered by the self-financing post-secondary sector were business courses and the Administration should compare the costs of similar publicly-funded and self-financing programmes.

90. The Chairman shared the view that while self-financing post-secondary institutions did not receive funding allocations directly from the Government, they were in effect subsidized by the Administration in the form of land grant. The operation of self-financing programmes offered by the UGC-funded institutions would not be as successful without the goodwill of the institutions. In her view, it was unacceptable that on the one hand, the self-financing sector was subsidised by the Administration, but on the other hand, it was not subject to the Administration's regulation. Nevertheless, she agreed to the need to maintain a proper balance between upholding institutional autonomy and monitoring the operation of self-financing programmes. As it would take time for the Committee to discuss and formulate policies, she considered that the Administration

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should, in the meantime, require the institutions to provide financial information prepared according to the accounting guidelines prescribed by the Administration when submitting applications for offering self-financing programmes.

91. US(Ed) reiterated that the Administration recognized the concern of members and the public about the surplus and the tuition fee level of self-financing programmes and agreed that it was essential to enhance the transparency of the financial aspects of self-financing programmes to facilitate public monitoring. Nevertheless, a balance had to be struck between addressing these concerns and maintaining institutional autonomy. DS(Ed)1 supplemented that the self-financing post-secondary sector was regulated under the Post Secondary Colleges Ordinance (Cap. 320), and some self-financing institutions were governed by separate pieces of ordinances. Referring to paragraph 6 of the Administration's paper, DS(Ed)1 added that UGC had recently established the Financial Affairs Working group to work with the UGC-funded institutions to help ensure their continuing good financial governance, having due regard to the principle of institutional autonomy.

Collaboration between UGC and the Committee

92. The Chairman enquired about the interface and co-ordination between UGC, which oversaw the operation of the publicly-funded institutions, and the Committee which was responsible for the strategic development of the self-financing sector.

93. US(Ed) said that as stated in the 2010 Higher Education Review Report, all elements of the post-secondary educational provision should be treated as a single interlocking system, and the co-ordination between the publicly-funded sector and the self-financing sector would be one of the major areas of study of the Committee. DS(Ed)1 supplemented that the Chairman of the Committee was a member of UGC and the Chairman of UGC also sat on the Committee. The overlapping membership in UGC and the Committee would help ensure that issues relating to the development of the post-secondary sector were considered in a holistic manner. Furthermore, there were also other channels for regular communications between UGC and the Committee.

94. US(Ed) said that the Administration planned to seek FC's approval of the proposal to increase the commitment of the Start-up Loan Scheme by \$2 billion. It was expected that the additional commitment would be used for funding applications from self-financing post-secondary

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institutions. He appealed to members to support the proposal when it was submitted to FC.

95. Concluding the discussions, the Chairman requested the Administration to relay members' views and concerns to the Committee.

VIII. Any other business

96. There being no other business, the meeting ended at 1:23 pm

Council Business Division 2
Legislative Council Secretariat
8 June 2012