

立法會
Legislative Council

LC Paper No. CB(2)2516/11-12
(The minutes have been seen by the
Administration)

Ref : CB2/PL/ED

Panel on Education

Minutes of meeting
held on Monday, 14 May 2012, at 4:30 pm
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 Audrey EU Yuet-mee, SC, 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
Dr Hon Samson TAM Wai-ho, JP

Members absent : Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon WONG Yuk-man

- Public Officers attending** : Agenda item IV
Mr Michael SUEN, GBS, JP
Secretary for Education
- Mr Kenneth CHEN, JP
Under Secretary for Education
- Dr K K CHAN
Deputy Secretary for Education (5), Education Bureau
- Ms Cora HO
Principal Assistant Secretary (Education Infrastructure),
Education Bureau
- Dr CHEUNG Kwok-wah
Principal Assistant Secretary (Curriculum
Development), Education Bureau
- Mr M SHE
Chief Curriculum Development Officer (Information
Technology Education), Education Bureau
- Agenda item V
Mr Kenneth CHEN, JP
Under Secretary for Education
- Mrs Angeline CHEUNG
Deputy Secretary for Education (6), Education Bureau
- Ms Nancy SO
Controller, Student Financial Assistance Agency
- Ms Carrie LEE
Deputy Controller (1), Student Financial Assistance
Agency
- Mr Desmond WONG
Deputy Controller (3), Student Financial Assistance
Agency

Agenda item VI

Mr Kenneth CHEN, JP
Under Secretary for Education

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

Ms Pecvin YONG
Principal Assistant Secretary (Further Education),
Education Bureau

Agenda item VII

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

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

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

Miss Meisy KWOK
Legislative Assistant (2)6

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I. Confirmation of minutes
[LC Paper No. CB(2)1918/11-12]

The minutes of the meeting held on 12 March 2012 were confirmed.

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II. Information papers issued since the last meeting

[LC Paper Nos. CB(2)1901/11-12(01), CB(2)1961/11-12(01) and CB(2)1969/11-12(01)]

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

(a) Submission from a member of the public concerning the admission schedules of universities [LC Paper No. CB(2)1901/11-12(01)];

(b) Referral dated 7 May 2012 from the Public Complaints Office of the Legislative Council ("LegCo") Secretariat concerning equitable education and examination arrangements for students with learning disabilities [LC Paper No. CB(2)1961/11-12(01)]; and

(c) Information note provided by the Education Bureau ("EDB") on the Early Retirement Scheme for aided secondary school teachers [LC Paper No. CB(2)1969/11-12(01)].

III. Items for discussion at the next meeting

[Appendices I and II to LC Paper No. CB(2)1922/11-12]

3. Members agreed to discuss the following items at the next regular meeting scheduled for 11 June 2012 at 4:30 pm –

(a) Start-up Loan for post-secondary education providers;

(b) Use and disposal of vacant school premises; and

(c) Applied Learning in new senior secondary curriculum.

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4. The Chairman suggested that the Administration should be requested to advise the timing for the discussion of "Integrated education" and "Review on the subvention arrangements for the English Schools Foundation ("ESF")" which were on the Panel's list of outstanding items for discussion.

(Post meeting note: The subject of "Progress of implementing integrated education in ordinary schools and the way forward" had been scheduled for discussion at the regular meeting of July 2012.

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Information on the progress of the review on the subvention arrangements for ESF including the timetable for reporting to the Panel on the subject matter was issued to members vide LC Paper No. CB(2) 2332/11-12(01) on 11 June 2012.)

IV. E-Textbook Market Development Scheme

[LC Paper Nos. CB(2)1916/11-12(01) and CB(2)1922/11-12(01)]

5. The Chairman drew members' attention to Rule 83A of the Rules of Procedure ("RoP") 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.

6. Members noted the background brief entitled "Development of e-Learning and prices of school textbooks" [LC Paper No. CB(2)1922/11-12(01)] prepared by the LegCo Secretariat.

Briefing by the Administration

7. Secretary for Education ("SED") briefed members on the Administration's plan to launch an e-Textbook Market Development Scheme ("the Scheme"). Chief Curriculum Development Officer (Information Technology Education) ("CCDO") demonstrated the design and features of e-textbooks with Internet.

Textbook prices

8. Mr KAM Nai-wai expressed disappointment that the Administration's policy of debundling of textbooks and teaching/learning resources for pricing ("the debundling policy") had failed to bring down the prices of textbooks. Pointing out that e-textbooks would likely take up only a small market share in the foreseeable future, he was concerned whether the development of e-textbooks could result in significant reduction of the prices of printed textbooks. He enquired whether the Administration would regulate the prices of e-textbooks and the measures it would implement to lower the prices of both printed textbooks and e-textbooks.

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9. SED responded that the main reason for the increasing textbook prices was excessive bundling of textbooks with various teaching and learning resources. To address the problem, the Administration had requested textbook publishers to debundle textbooks and teaching/learning materials for pricing by the 2011-2012 school year. However, textbook publishers had insisted that they needed at least three more years to fully implement the debundling policy. According to the publishers, the prices of debundled textbooks had in fact been reduced but the reduction had been offset by inflation, resulting in a slight increase in textbook prices. In the spirit of free market economy, the Administration should not involve in the setting of textbook prices. To rectify the serious distortion in the textbook market, the Administration considered it necessary to implement new measures and develop the e-textbook market.

10. SED further said that comparing with printed textbooks, e-textbooks incurred lower running costs as printing, storage, transportation, retail sales etc. would not be required. Applications for the Scheme would be assessed on the basis of both quality and pricing. Applicants were required to commit to the sales price of the e-textbooks produced under the Scheme during the contract period. The price commitment was expected to cover four school years for non-profit making applicants and two years for other applicants.

11. Ms Cyd HO expressed doubt as to whether e-textbooks could help solve the problem of high prices of printed textbooks in the short term. In her view, e-textbooks could not replace printed textbooks entirely as the two forms of textbooks provided students with different learning experience. Debundling textbooks from teaching/learning materials was of little help in reducing textbook prices as the costs of developing the teaching/learning materials had not been truly reflected in the sales price. To deter publishers from pricing textbook at will and bring down textbook prices, the Administration should introduce competition into the textbook market by commissioning non-profit making organizations to develop textbooks on a cost recovery basis.

12. Ms Cyd HO further said that the printed textbook market generated an annual revenue of \$1.5 billion and \$600 million of which was from government subsidies. She criticized the failure of the Administration to face up to the problem of high textbook prices and tackle it at source. She pointed out that the root cause for the high textbook prices was that some expenditures incurred by schools (for instance, in organizing extra-curricular activities or after-school classes) were in effect sponsored by the publishers through their marketing and promotion activities. Such marketing costs had been factored into the prices of textbooks and were

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borne by parents. In her view, the Administration should discuss with schools their funding needs and provide subsidies to schools as appropriate. Otherwise, it would leave them with no choice but to continue to rely on the publishers' sponsorship.

13. SED responded that to tackle the problem of high textbook prices and the monopolization in the textbook market, it was necessary to bring new competition into the textbook market. While no timetable had been set on the full-scale implementation of e-textbooks at this stage, the Administration considered it important to send a clear message to the community that its ultimate goal was to replace printed textbooks gradually by e-textbooks. The Administration would monitor the quality as well as the sales and pricing strategies of e-textbooks and encourage schools to support the use of e-textbooks.

14. Ms Cyd HO said that the Administration should refrain from making frequent changes to the curriculum and should make available worksheets and supplementary exercises on the website of Hong Kong Education City for use of schools. The Administration should also promote the use of second-hand textbooks.

15. Mr KAM Nai-wai noted from media reports the remarks of Mrs Fanny LAW, Head of Chief Executive-elect's Office, that the problem of textbook prices should be resolved through discussions at a suitable platform and the doubts she had expressed on the Scheme. He enquired whether the Administration had communicated with the Chief Executive-elect's Office on the Scheme. SED responded that the Administration had not sought the view of the Chief Executive-elect's Office on the Scheme. He stressed that the Scheme was formulated after careful deliberation by the Administration.

Development of e-textbooks and support to schools

16. Mr CHEUNG Man-kwong said that in developing the e-textbook market, it was important for the Administration to avoid distortion and monopolization of the market as in the case of the printed textbook market. It was pivotal that the Administration should not control the contents of e-textbooks. The Administration should consider the views of the Information Technology ("IT") sector on e-textbooks and make reference to the development of e-textbooks in Singapore. In Singapore, each student was provided with a lightweight e-schoolbag from which e-textbooks could be retrieved by using smart cards. Students and teachers could interact and communicate through the e-schoolbags. As pointed out by the IT sector, accessing e-textbooks via Internet was not as reliable as

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using smart cards because of possible overloading of networks. The Administration should set the standard specifications of e-schoolbags and e-textbooks to prevent the inclusion of unnecessary applications and e-features, which would make them very expensive. Given that students would use the e-schoolbags for many hours a day, measures should be taken to protect their eyes. The Administration should also help schools to upgrade their IT infrastructure to complement the implementation of e-textbooks.

17. SED responded that the Scheme mainly sought to encourage the participation of new market players and pave the way for the development of a new, healthy and sustainable e-textbook market in the long run. At the current stage, the Administration's focus was to engage partner schools to try out the e-textbooks to be developed under the Scheme. When selecting partner schools, the Administration would ensure that they were equipped with the necessary IT infrastructure for the trial and their teachers had the capacity to teach with e-textbooks.

18. CCDO supplemented that according to the experience of some schools which had tried out e-textbooks, it might not be essential for each student to have a computer in class as certain subjects could be taught with the aid of projector. They also found that there would be more collaboration among students when they shared the use of computers. Whether each student should be provided with a computer at class could be further discussed in the light of the development of e-teaching.

19. Ms Audrey EU supported the development of e-textbooks. She considered the provision of a computer to each student essential for effective learning, and enquired whether any part of the funding sought by the Administration would be used to help needy students purchase computers.

20. SED explained that the commitment of \$50 million was mainly to provide seeding grant to non-profit making organizations to join the market. Other subsidy schemes were available to help needy families acquire affordable internet services and computer equipments. At the request of Ms Audrey EU, the Administration agreed to provide details, with breakdown, on the utilization of the proposed creation of a commitment at \$50 million for the implementation of the Scheme.

Admin

(Post meeting note: The Administration's response was circulated to members vide LC Paper No. CB(2)2090/11-12(01) on 21 May 2012.)

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21. Whilst welcoming the introduction of e-textbooks which was conducive to environmental protection, Prof Patrick LAU opined that the Administration should adopt a multi-pronged approach to tackle the problem of high textbook prices. In addition to developing the e-textbook market, the use of second-hand textbooks should also be promoted. The Administration should consider procuring e-textbooks from overseas instead of engaging developers to develop e-textbooks for local schools.

22. Ms Audrey EU opined that instead of developing e-textbooks with comprehensive information on each topic set out in the curricula, e-textbooks should provide only broad frameworks while students would be encouraged to search updated information relevant to their studies in the Internet, which was in line with international learning trends and would be a good learning experience for students.

23. SED responded that as the curricula of overseas e-textbooks might be different from the local curricula, overseas e-textbooks might not be suitable for local schools. E-textbooks tailor-made for local curricula would ensure that the learning objectives were met and save teachers' time in adapting overseas textbooks to suit the local curricula. Given the heavy workload of teachers, e-textbooks covering all the contents would save the need for them to source teaching materials.

Tendering out the development of textbooks

24. The Deputy Chairman said that she had reservation about the Administration publishing textbooks for schools, and enquired whether the Administration had any plan to do so. She expressed concern that the e-textbook market would likely be monopolized by the existing printed textbook publishers if stringent quality assurance criteria were applied to e-textbooks. She enquired whether the Administration would consider relaxing the stringent quality assurance criteria for e-textbooks to facilitate new developers to enter the market.

25. The Chairman expressed concern that parents had to continue to shoulder high textbook prices until the e-textbook market was fully developed which might take five to 10 years. She was of the view that the Administration had not made its best effort in tackling the crux of the problem and expressed disappointment that the Administration had ruled out the option of tendering out the publication of textbooks. To introduce healthy competition into the textbook market and provide more choices for schools, the Administration should invite universities or non-profit making organizations to publish textbooks at cost.

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26. SED responded that Hong Kong was a free market and the Administration had no plan to publish textbooks, which, in its view, might not be effective in breaking the monopolies of the textbook publishers. The Task Force to Review Learning and Teaching Materials had considered the option of tendering out the publication of textbooks and concluded that it would not help resolve the problem as there were only a small number of publishers currently in the market and it was likely that the existing publishers would be the bidders of the tender. Furthermore, having used their textbooks for years, schools would unlikely switch to those of other publishers. To instill healthy competition into the textbook market, the Administration decided to develop e-textbooks to bring in new market players and reset the market rules. The Administration would be able to monitor the quality as well as the sales and pricing strategies of e-textbooks. To encourage interested non-profit making organizations and academic institutions which might be less endowed financially to develop e-textbooks, the Administration would provide them with a seeding grant on a 50:50 matching basis, subject to a cap of around \$4 million per subject set. Other organizations which were not eligible for the seeding grant were also welcomed to apply for participating in the Scheme.

Timetable for the implementation of e-textbooks

27. In response to the Chairman and Mr KAM Nai-wai's enquiry on the Administration's estimation on the timeframe required for the development of the e-textbook market, SED said that subject to the funding approval of the Finance Committee ("FC"), the Administration planned to invite applications for developing e-textbooks between June and August 2012. The e-textbooks developed under the Scheme could be up in the market in as early as the 2014-2015 school year. The implementation of e-textbooks in individual schools would depend on their IT infrastructure and the readiness of their teachers to teach with e-textbooks. The Administration did not consider it appropriate to mandate a timetable for all schools to adopt e-textbooks at the current stage.

28. The Chairman said that as e-textbooks would only be tried out in partner schools and the number of subjects involved in the trial would be small, she doubted whether e-textbooks could compete directly with printed textbooks in the next few years, thereby lowering textbook prices.

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Motion

29. Mr CHEUNG Man-kwong said that during the transition to full-scale implementation of e-textbooks, the Administration should strive to regulate textbook prices and provide the necessary resources for schools to procure teachers' books. The use of second-hand books should also be encouraged. He moved the following motion –

"本會要求教育局推動學校實行教科書回收計劃，鼓勵師生使用舊書，減輕家長負擔，推動環保。"

(Translation)

"That this Panel requests the Education Bureau to promote the implementation of textbook recycling programmes in schools and encourage teachers and students to use second-hand textbooks, so as to alleviate parents' burden and promote environmental protection."

The motion was seconded by Prof Patrick LAU.

30. Mr LEUNG Yiu-chung and Ms Audrey EU expressed support for the motion. They considered it necessary for the Administration to take the lead in promoting the use of second-hand textbooks.

31. The Chairman said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the motion. She concurred with the view that a multi-pronged approach should be adopted to tackle the problem and urged the Administration to re-consider tendering out the publication of textbooks to bring in more competition with a view to lowering textbook prices.

32. The Chairman put the motion to vote. All members present voted for the motion, no member voted against the motion and no member abstained. The Chairman declared that the motion was carried.

(Post meeting note: The Administration's response to the motion was circulated to members vide LC Paper No. CB(2)2296/11-12(01) on 6 June 2012.)

33. Concluding the discussions, the Chairman said that the Panel supported the submission of the funding proposal to FC for consideration in June 2012.

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V. Improvement measures to student loans for post-secondary students

[LC Paper Nos. CB(2)1922/11-12(02) to (03)]

34. Members noted the background brief entitled "Non-means-tested loan schemes for post-secondary students" [LC Paper No. CB(2)1922/11-12(03)] prepared by the LegCo Secretariat.

35. The Chairman drew members' attention to RoP 83A 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

36. Under Secretary for Education ("US(Ed)") briefed members on the Administration's paper setting out the package of measures to improve the operation of the non-means-tested loan schemes ("NLS") and the means-tested assistance schemes, as well as the proposal for creating a Principal Executive Officer ("PEO") post in the Student Financial Assistance Agency ("SFAA") to strengthen the directorate support for implementing the relevant improvement measures.

Interest rate

37. While welcoming the improvement measures to reduce the financial burden of student loan borrowers, Mr CHEUNG Man-kwong suggested that further consideration should be given to waiving the interests accrued on non-means-tested loans during the borrowers' study period. Furthermore, having regard to the financial need of borrowers of means-tested loans and given that the amount of interest income on such loans might barely cover the administrative cost, he considered that interest-free loans should be provided to borrowers of mean-tested loans.

38. US(Ed) responded that the Administration had reviewed the interest arrangements for loans offered under both NLS and means-tested assistance schemes. As stated in paragraph 23 of the Administration's paper [LC Paper No. CB(2)1922/11-12(02)], the additional interest savings for NLS loan borrowers from abolishing the study interest was only about \$20 per month for a loan of \$100,000. However, the waiving of

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study interest on all existing NLS loan borrowers would lead to a substantial loss of interest income of around \$33 million each year for the Government. The Administration was also concerned about possible abuse of NLS should interest-free loans be offered during the study period. As regards the interest rate for means-tested loans, the proposed reduction of the interest rate from the existing 2.5% to 1% had already helped to alleviate the repayment burden of needy borrowers. Given that interest was not accrued for means-tested loans during the study period, the effective interest rate was less than 1%.

39. The Deputy Chairman enquired whether the Administration would adopt further measures to alleviate the financial burden of students.

40. US(Ed) responded that the Administration had explored various ways to ease students' loan repayment burden. The proposals of reducing the risk-adjusted-factor ("RAF") to zero and extending the standard repayment period of NLS loans from 10 years to 15 years could significantly reduce the monthly repayment amount by up to 40%. For borrowers who had difficulties in repaying their loans on grounds of financial hardship or serious illness, the repayment period could be further extended for a maximum of two years.

The default problem

41. Noting that 600 cases out of the 13 000 default cases were serious default cases (i.e. the borrowers concerned owed more than \$100,000, had ceased repayment for more than a year and had failed to respond to the Administration's reminders or to provide any reasonable justification for delayed repayments), Mr CHEUNG Man-kwong urged the Administration to step up the measures to recover the default loans to ensure prudent use of public money. The Deputy Chairman sought information on the way forward regarding the Administration's proposal of sharing of negative credit data of defaulters with credit reference agency ("CRA").

42. US(Ed) said that the Administration shared members' view that more stringent measures were necessary to tackle the default problem. He stressed that the serious default cases would undermine the financial credit system and the relevant data should be shared with CRA. The Administration would further discuss with the Privacy Commissioner for Personal Data ("PCPD") to address his concerns on the proposal. The Administration would further explain to PCPD that the proposed negative data sharing would only apply to serious default cases and the defaulters' data would be removed from the consumer credit data system once their arrears had been settled in full.

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43. Ms Audrey EU echoed the concern about the default problem. She enquired whether the Administration had considered stepping up its measures on defaulters who had failed to respond to the repayment reminders sent by SFAA, such as charging a higher interest rate or imposing a surcharge on the default amount.

44. Deputy Secretary for Education (6) ("DS(Ed)6") responded that a mechanism was already in place to require loan borrowers to pay overdue interest at a rate equal to the prime rate (currently at around 5%) if they failed to make their loan repayments on time. The overdue interest rate was higher than the proposed interest rate which was 1.674% for NLS loans. For default cases convicted by the court, the defaulters would need to pay an even higher interest rate to be decided by the court. EDB and the Department of Justice ("DoJ") had agreed that about 3 000 serious default cases would be referred to DoJ annually for debt recovery through legal means. Cases with a default amount not exceeding \$50,000 would be brought to the Small Claims Tribunal.

45. Controller, Student Financial Assistance Agency ("Controller/SFAA") supplemented that SFAA had implemented a series of improvement measures to enhance the recovery of debt from defaulters in recent years. In the 2010-2011 academic year, SFAA had deployed more resources to handle serious cases involving large amount in default with a view to speeding up their referral to DoJ for legal recovery action. A total of 2 300 default cases had been referred to DoJ and the Administration had recovered some \$62 million from 1 611 default cases in the past four academic years.

46. Concluding the discussions, the Chairman said that the Panel supported the submission of the staffing proposal to the Establishment Subcommittee and the funding proposal to FC for consideration.

VI. Proposed injection into the HKSAR Government Scholarship Fund and Self-financing Post-secondary Education Fund
[LC Paper Nos. CB(2)1922/11-12(04) to (05)]

47. The Chairman drew members' attention to RoP 83A 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.

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48. Members noted the background brief entitled "Government scholarship schemes for post-secondary students" [LC Paper No. CB(2)1922/11-12(05)] prepared by the LegCo Secretariat.

Briefing by the Administration

49. US(Ed) briefed members on the Administration's proposal to inject \$1 billion each into the HKSAR Government Scholarship Fund ("GSF") and Self-financing Post-secondary Education Fund ("SPEF") as detailed in the Administration's paper [LC Paper No. CB(2)1922/11-12(04)].

Scholarship and award schemes for students with special educational needs

50. Ms Cyd HO supported the establishment of more scholarships and award schemes. She considered that needy students who had demonstrated achievements in non-academic areas should also be eligible for the scholarships so as to alleviate their worries of not being able to afford the tuition fees. She further said that some students with specific learning difficulties had to engage special services to assist them in studying. However, they might not be able to afford such services given the high costs. She suggested that students with special educational needs ("SEN") be provided with dedicated scholarships and awards under GSF and SPEF to support their post-secondary studies. She stressed that the efforts made by students with SEN in surmounting all the difficulties so as to pursue higher education deserved recognition and award of scholarships.

51. US(Ed) responded that students with financial difficulties in pursuing post-secondary education might apply for grants to cover tuition fees and academic expenses and loans to meet living expenses under the relevant financial assistance schemes. Since its establishment, the objective of GSF was to recognize outstanding academic performance of students pursuing full-time publicly-funded degree or above level programmes in Hong Kong. Outstanding students studying self-financing post-secondary programmes would be eligible for scholarships through the Self-financing Post-secondary Scholarship Scheme ("SPSS") under SPEF.

52. Deputy Secretary for Education (1) ("DS(Ed)1") supplemented that many institutions had put in place special arrangements and support services for accommodating SEN students with regard to their particular disability and field of study. As mentioned in paragraph 8 of the Administration's paper, one of the objectives of the new scholarship and award schemes proposed under GSF and SPEF was to recognize students

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who had demonstrated achievements or talent in non-academic areas. Students with SEN meeting the relevant criteria would also be eligible for the schemes. The Administration would also consider the possibility of rolling out new scholarship and award schemes in the light of changing circumstances. The Administration would bring Ms Cyd HO's suggestion for consideration by the Steering Committees of GSF and SPEF.

Admin

53. Ms Cyd HO requested the Administration to revert to Members on its consideration of her suggestion of providing dedicated scholarship and awards for students with SEN in its paper to be submitted to FC.

(Post meeting note: The requisite information had been included in the Administration's paper to FC [FCR(2012-13)33] issued on 25 May 2012.)

Ratio of awardees to local and non-local applicants

54. Mr CHEUNG Man-kwong expressed concern about the imbalance in the award of scholarships to local and non-local students. He referred to the remarks made by Prof Joseph SUNG, Vice-Chancellor and President of the Chinese University of Hong Kong ("CUHK"), that scholarship was one of the causes of conflicts between Mainland students and local students. According to the Administration's reply to a Council question on university education resources at the Council meeting of 28 March 2012, for students at degree level or above, the annual scholarship was \$40,000 for local students and \$80,000 for non-local students and the percentage of non-local awardees were higher than that of local awardees by 18%, 24% and 10% in the 2009-2010, 2010-2011 and 2011-2012 school years respectively. While it was understandable that a larger amount of scholarship would be awarded to non-local students given their higher tuition fees, local students might have grievances if the ratio of awardees to non-local applicants was consistently higher than that for local applicants. By way of illustration, he cited the cases of the University of Hong Kong ("HKU") and CUHK where there was a significant gap between the two ratios. In the case of HKU, the ratios of awardees to non-local and local applicants in the 2010-2011 school year were 86% and 18% respectively; whereas for CUHK, the ratio was 79% for non-local students and 52% for local students in the 2011-2012 school year. He was of the view that the ratio of awardees to non-local and local applicants in each institution should be comparable as far as practicable. He urged the Administration and the University Grants Committee to remind the institutions to strike an appropriate balance between local and non-local students when awarding the scholarships.

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55. US(Ed) responded that it was not appropriate to compare the ratio of awardees to non-local applicants with that to local applicants, as many non-local undergraduate students studying in Hong Kong were outstanding students in their home countries and were offered scholarships by local universities to study in Hong Kong. Furthermore, it was noteworthy that different institutions adopted different mechanisms to nominate students for receiving the scholarships. While some would invite applications from their students, some nominated students direct based on their merits without inviting students to apply. Hence the ratio should not be regarded as "success rate". DS(Ed)1 supplemented that in the 2011-2012 academic year, 98.5% of awardees of outstanding performance and 96% of the awardees of best progress under SPSS were local students.

56. Mr CHEUNG Man-kwong said that his concern was not the number of local scholarship recipients among all recipients. Given the much greater size of the local student population than non-local student population, it was inevitable that the number of local scholarship recipients far exceeded that of non-local students. Rather, his concern was the respective success rate of local and non-local students in the award of scholarships. He reiterated his view that institutions should ensure that local and non-local students had similar success rate in the award of scholarships to avoid the perception of inequality.

57. US(Ed) explained that the Administration had all along given a clear message to the institutions that a majority of the scholarship recipients should be local recipients. The Administration would discuss Mr CHEUNG Man-kwong's concern with the institutions.

58. Dr Priscilla LEUNG declared that she was an associate professor of the City University of Hong Kong and had not involved in matters relating to scholarships. To her understanding, faculties of institutions had their respective selection criteria for scholarships and most of them would award scholarships on the basis of academic performance. Scholarships were also offered to attract outstanding non-local students to study in the institutions. It might be one of the reasons for the higher success rate of non-local students in being awarded scholarships. In her view, institutions should not be regarded as being unfair to local students in the award of scholarships.

59. Concluding the discussions, the Chairman said that the Panel supported the submission of the funding proposal to FC for consideration.

[The Chairman left the meeting at this juncture after which the meeting was chaired by the Deputy Chairman.]

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VII. Sixth Matching Grant Scheme

[LC Paper Nos. CB(2)1922/11-12(06) to (07)]

60. The Deputy Chairman drew members' attention to RoP 83A 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.

61. Members noted the background brief entitled "Matching Grant Schemes" [LC Paper No. CB(2)1922/11-12(07)] prepared by the LegCo Secretariat.

Briefing by the Administration

62. US(Ed) took members through the Administration's proposal to launch a new round of Matching Grant Scheme ("MGS") with an amount of \$2.5 billion for the post-secondary education sector as detailed in its paper [LC Paper No. CB(2)1922/11-12(06)].

Matching grant for sub-degree programmes

63. Mr CHEUNG Man-kwong said that the Panel had long called for the expansion of MGS to cover the sub-degree sector so that institutions concerned would have more resources for investment in sub-degree education, thereby alleviating the financial burden of sub-degree students. He therefore welcomed the extension of MGS to cover self-financing sub-degree programmes. Given that it was the first time MGS was extended to cover self-financing programmes and it might be more difficult for institutions to secure donations for sub-degree programmes as compared to degree programmes, he suggested rendering more support to the fund-raising efforts for sub-degree operations, for instance, by providing matching grant for all private donations specified for sub-degree programmes at a \$1 for \$1 matching ratio, so as to provide more impetus to the institutions, particularly those running both degree and sub-degree programmes, to raise fund for their sub-degree programmes.

64. DS(Ed)1 responded that under the sixth MGS, it was proposed that the donations would be matched based on a ratio of \$1 for \$1 up to \$60 million, benefiting sub-degree and degree operations on an equal basis. The proposed matching formula and operating terms would ensure that MGS was simple and easy to administer.

Action
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65. US(Ed) undertook to revert to the Panel on Mr CHEUNG Man-kwong's suggestion before submitting the funding proposal to FC.

(Post meeting note: The Administration's response was circulated to members vide LC Paper No. CB(2)2161/11-12(01) on 25 May 2012.)

66. Concluding the discussions, the Deputy Chairman said that the Panel supported the submission of the funding proposal to FC for consideration.

VIII. Any other business

67. There being no other business, the meeting ended at 6:32 pm.

Council Business Division 2
Legislative Council Secretariat
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