

立法會

Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 8th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 7 February 2014, at 4:30 pm**

Members present:

Hon NG Leung-sing, SBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che

Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon Claudia MO
Hon James TIEN Pei-chun, GBS, JP
Hon Steven HO Chun-yin
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon YIU Si-wing
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon CHAN Han-pan
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kong, JP
Hon TANG Ka-piu
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen

Members absent:

Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Dr Hon LAU Wong-fat, GBM, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Michael TIEN Puk-sun, BBS, JP
Dr Hon Elizabeth QUAT, JP
Hon POON Siu-ping, BBS, MH
Hon CHUNG Kwok-pan

Public officers attending:

Ms Elizabeth TSE Man-ye, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr YAU Shing-mu, JP	Under Secretary for Transport and Housing
Ms Julina CHAN Woon-ye, JP	Deputy Secretary for Transport and Housing (Transport) 5
Mr Francis LIU Hon-por, JP	Director of Marine
Ms Shirley LAM Shuet-lai, JP	Deputy Director of Marine (Special Duties)
Miss Helena CHAN Yuk-chun	Senior Principal Executive Officer (Special Duties)
	Marine Department
Mr CHENG Yeung-ming	Chief, Marine Accident Investigation and Shipping Security Policy
	Marine Department
Mr Gilbert MO Sik-keung	Deputy Law Draftsman (Bilingual Drafting and Administration)
	Department of Justice
Ms Anissa WONG, JP	Permanent Secretary for the Environment
Miss Vivian LAU, JP	Deputy Secretary for the Environment
Mr YUNG Lap-yau	Deputy Law Officer (Civil Law)
	Department of Justice

Mr Kevin YEUNG, JP
Ms Pecvin YONG

Dr CHAN Cheuk-hay

Ms WONG Wai-han

Mr Bernard LIM, JP

Under Secretary for Education
Principal Assistant Secretary for
Education (Further Education)
Director, HKCT Group
Limited/President and Principal,
Hong Kong College of Technology
Vice President,
Hong Kong College of Technology
Principal,
Architecture Design and Research
Group Limited

Clerk in attendance:

Mr Andy LAU

Assistant Secretary General 1

Staff in attendance:

Mr Derek LO

Mr Daniel SIN

Mr Ken WOO

Mr Frankie WOO

Ms Christy YAU

Chief Council Secretary (1)5

Senior Council Secretary (1)7

Senior Council Secretary (1)5

Senior Legislative Assistant (1)3

Legislative Assistant (1)7

Action

Item No. 1 – FCR(2013-14)57

**RECOMMENDATIONS OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 8 JANUARY 2014**

The Chairman said that the item sought the Committee's approval of the recommendations of the Establishment Subcommittee made at the meetings on 8 January 2014. Members of ESC had requested that items EC(2013-14)13 and EC(2013-14)14 should be considered and voted on separately at the Finance Committee ("FC") meeting.

2. The Chairman put the remaining items in FCR(2013-14)57 to vote. The Chairman declared that the Committee approved the item.

EC(2013-14)13

HEAD 100 – MARINE DEPARTMENT

HEAD 92 – DEPARTMENT OF JUSTICE

HEAD 158 – GOVERNMENT SECRETARIAT : TRANSPORT AND HOUSING BUREAU (TRANSPORT BRANCH)

3. The Chairman advised that the item sought the Committee's approval of the staffing proposal to facilitate the taking forward of systemic reform of the Marine Department and the marine-related legislative amendments.

4. Mr WONG Kwok-hing expressed support for the proposal. He said that the way the Marine Department handled the incident of collision of two vessels near Lamma Island on 1 October 2012 reflected the imminent need for a major overhaul of the department's management. Mr WONG hoped that the establishment proposal would facilitate the reform process and would improve the succession situation in the Marine Department.

5. There being no further questions from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the proposal.

EC(2013-14)14

HEAD 137 – GOVERNMENT SECRETARIAT : ENVIRONMENT BUREAU

HEAD 92 – DEPARTMENT OF JUSTICE

6. The Chairman advised that the item sought the Committee's approval of the creation of two supernumerary posts of Administrative Officer Staff Grade C and Assistant Principal Government Counsel for a period of two years with effect from 10 February 2014.

7. There being no questions from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the proposal.

Item No. 2 – FCR(2013-14)58

LOAN FUND

HEAD 252 – LOANS TO SCHOOLS/TEACHERS

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

8. The Chairman advised that the item invited the Committee's approval of a start-up loan of \$30 million to HKCT Group Limited for the operation of Hong Kong College of Technology ("HKCT") and the proposed HKCT Institute of Higher Education ("CTIHE"), under the Start-up Loan Scheme for post-secondary education providers, from the Loan Fund.

9. Dr LAM Tai-fai, Chairman of the Panel on Education, reported that the proposal was discussed at the meeting of the Panel on 13 January 2014. Some Panel members supported the funding proposal to provide a start-up loan to HKCT Group Limited to enable the organization to introduce self-financing post-secondary programmes to meet the demand for higher education. Dr LAM said that some members had expressed concern that the institution concerned might transfer the burden of repaying the start-up loans to their students through charging them high tuition fees. Other members queried when the Administration would establish a single monitoring body to oversee the self-financing post-secondary sector.

10. Dr LAM Tai-fai said that, on the whole, the Panel did not object to the Administration's submitting the proposal to FC for funding approval. However, one member raised objection on grounds of the Administration's inability to monitor self-financing post-secondary institutions effectively.

11. The Chairman directed that members' speaking time, including the Administration's response, should be limited to five minutes.

12. Miss CHAN Yuen-han declared interest as a member of HKCT's Management Board. She supported the proposal and appealed to members to give support to the funding proposal to provide better learning facilities for HKCT's students.

Student intakes of HKCT

13. Mr IP Kin-yuen noted that the number of students enrolling sub-degree programmes had dropped. He asked how many students HKCT expected to admit in the coming years.

14. President and Principal, Hong Kong College of Technology ("P&P, HKCT") said that HKCT had envisaged the decreasing trend of students enrolling in sub-degree programmes in the coming years. In formulating its development plan, HKCT would gradually replace some of its sub-degree places by undergraduate places; the overall admission would remain relatively static.

15. Dr Helena WONG noted that the number of students enrolled in HKCT's self-financing post-secondary programmes had dropped by 45% from 507 students in the 2010/2011 academic year to 281 students in 2012/2013. On the other hand, HKCT expected that the proposed new campus could accommodate up to 1 100 students by the 2020/2021 academic year. Dr WONG asked whether HKCT intended to admit more non-local students.

16. P&P, HKCT said that the proposed new campus had a capacity for 1 100 students by 2020/2021. The student intake of HKCT in 2012/2013 was 281 students while a total of some 800 students were undertaking different studies in HKCT. P&P, HKCT said that the institution was not seeking extra space and capacity. The new campus to be established using the proposed loan would replace an existing premises as the tenancy would expire in August 2015.

Review and amendment to the Post Secondary Colleges Ordinance

17. Mr IP Kin-yuen asked when the Administration would submit the legislative proposal to amend the Post Secondary Colleges Ordinance, (Cap. 320), ("PSCO") to strengthen the monitoring of self-financing post-secondary education sector.

18. Under Secretary for Education ("USED") said that the Administration had sought the views of the Panel on Education in January 2013 regarding amendments to PSCO. Members had expressed concerns about the monitoring and long-term development of the post-secondary education sector. Following the discussion, the Administration had set up the Committee on Self-financing Post-secondary Education to advise the Administration on macro-strategies on the development of post-secondary education. Meanwhile, the Committee had also launched the Concourse for Self-financing Post-secondary Education website, which helped increase transparency and accountability to the public and promote the sustainable development of the sector.

19. USED added that a Liaison Committee on Quality Assurance had been set up to promote sharing of good practices among all the quality

assurance bodies and to enhance consistency and transparency. Furthermore, the Committee on Self-financing Post-secondary Education had commissioned a consultancy study on good practices on the regulation of the self-financing post-secondary sector. Depending on the effectiveness of these measures, the Administration would consider whether and how PSCO should be amended and enhanced.

20. Dr Helena WONG commented that the post-secondary education sector lacked proper monitoring. Some of the self-financing post-secondary institutions lacked sufficient representation of students, their financial and accounting systems lacked transparency, and the quality assurance mechanisms were not effective. Dr WONG requested the Administration to withdraw the funding proposal and formulate a timetable and a work plan for revamping PSCO. Ms Cyd HO made a similar comment.

21. USED understood the community's concern about the quality assurance of self-financing post-secondary institutions. The foregoing measures he highlighted were introduced to improve quality assurance and transparency of the sector. The Administration would consider whether any further improvements to PSCO were necessary after having implemented these measures. USED said that HKCT had been contributing positively towards the education sector, and the proposed loan would enable HKCT to improve the teaching environment for the benefit of students. Besides, the proposed funding was not provided to HKCT as a grant, but a loan that needed to be repaid. USED said that it would not be fair to HKCT if the proposed loan could only be considered after the legislative amendments to PSCO were enacted.

22. Mr Alan LEONG expressed concern about the lack of proper monitoring of self-financing post-secondary institutions. Mr LEONG cited many problems with these institutions, such as over-admission, excessive tuition fees, high instructor-to-student ratio and the lack of transparency in the governance of these institutions. He criticized the Administration of relying on an archaic legislation dated in the 1960s for its monitoring authority, without showing any impetus to rectify the deficiencies. The impasse left members with little options but to attempt to block the current funding, even at the expense of HKCT, in order to press the Administration to take more active steps to revamp PSCO.

23. USED said that members should have confidence on the Administration's determination to improve the mechanism of monitoring the operation of self-financing post-secondary institutions. Rather than seeking amendments to the legislation, the Administration considered it more

pragmatic to introduce incremental measures and, depending on their outcome and effectiveness, review the necessary new legislation that should be introduced.

24. Mr IP Kin-yuen clarified that members did not intend to give approval to the funding proposal until the amendment to PSCO was completed. He said that some members were concerned about the effectiveness of the mechanism in monitoring the governance of self-financing post-secondary institutions. He asked when the Administration could draw up a timetable for the legislative amendment exercise. USED advised that the issue of improving the monitoring of the self-financing post-secondary education sector would continue to be discussed at the Panel on Education. At the present stage, he could not put forward the legislative timetable.

25. Miss CHAN Yuen-han said that the Administration should address the community's concern about the governance of self-financing post-secondary sector. However, the issue was not relevant to the deliberation on the funding proposal. Miss CHAN added that HKCT had made significant contribution in serving the grassroots community. She appealed to members to support the item.

Development scale of CTIHE

26. Ms Cyd HO said that students of post-secondary programmes should be able to receive education in a more spacious environment where they could interact with each other and with academic staff, but the proposed new campus appeared inadequate to meet this objective. Ms HO considered that the Administration had the duty to prescribe minimum specifications for a proper campus and should ensure that sufficient resources were provided for campus facilities to meet the needs of students. The proposed start-up loan of \$30 million to HKCT was not adequate for it to provide a decent campus. The Administration should withdraw the funding proposal and recast the funding requirement.

27. Mr TANG Ka-piu asked whether HKCT would submit application for more resources and campus space to improve the conditions for students and staff. USED said that if there were suitable land to be allocated for self-financing post-secondary education purposes, HKCT would always be welcomed to submit a bid. The Government would carefully consider each application on the basis of their proposals and the background of each applicant. P&P, HKCT said that HKCT had the long-term vision to provide the best education programmes and learning environment and facilities for students. However, the immediate priority was to secure the loan and to

ensure that the proposed new campus would commence operation as early as possible.

Tuition fees

28. Ms Cyd HO asked about the level of tuition fees CTIHE would charge its students. P&P, HKCT said that CTIHE was positioned to serve students from grassroots families, and the tuition fees would be kept to a reasonably low level.

29. Ms Cyd HO said that UGC-funded undergraduate programmes were heavily subsidized by the Government. With the levels of tuition fees to be charged by CTIHE, Ms HO doubted whether the organization was able to engage high quality instructors and provide high quality education services. She said that the Administration should examine the resources needs and the quality of the post-secondary education sector.

Work of the Vetting Committee for the Allocation of Sites and Start-up Loan for Post-secondary Education Providers

30. Dr Kenneth CHAN noted that the Vetting Committee for the Allocation of Sites and Start-up Loan for Post-secondary Education Providers ("VC") would take into account, among other factors, post-secondary education services proposed in each application. He asked how VC had evaluated applicants' track records and what findings VC had gathered so far.

31. Principal Assistant Secretary for Education (Further Education) ("PAS(FE)) said that in assessing an applicant's track record of delivering post-secondary education services, VC would take into account factors such as the number of post-secondary programmes organized previously, the number of students admitted, whether any problems or complaints relating to the programmes had been reported, etc. PAS(FE) stressed that track records were one of the many considerations of VC and each application would be examined on its own merits.

32. Dr Kenneth CHAN said that there had been a complaint lodged by a HKCT student to the Legislative Council against the institution in relation to one of its diploma programmes. He asked if the complaint case would affect HKCT's credibility in seeking the VC's approval for loan to improve its education services.

33. P&P, HKCT said that in the complaint case mentioned, the complainant, who was taking a non-social work diploma programme in HKCT,

applied to study for a higher diploma in social work for which he did not have the academic prerequisites as required by the Social Worker Registration Board. HKCT could not guarantee a place for the complainant for the higher diploma in social work programme, even if he had satisfactorily completed his diploma programme which was not for social work. P&P, HKCT added that, on the whole, more than 85% of HKCT's students were able to continue their study after graduation.

Readiness of HKCT to run proposed academic programmes

34. Dr Kenneth CHAN asked whether the undergraduate degree programmes planned to be operated in the proposed new campus (and highlighted in Enclosure 5 to FCR(2013-14)58) had already been confirmed. P&P, HKCT said that the listed post-secondary programmes were planned to be operated in the new campus. Some of them would be organized in co-operation with overseas universities and would be locally accredited. These programmes were subject to accreditation by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications ("HKCAAVQ"). Award of degree would also be subject to approval by the Chief Executive in Council under PSCO.

Repayment of the proposed start-up loan

35. Mr Tony TSE asked if HKCT could be allowed to extend the repayment period if it encountered financial difficulties. Noting that the total estimated renovation cost of the new campus was \$62 million, Mr TSE asked if the Administration had assessed whether the cost estimates were reasonable. He also asked whether the Administration would monitor the use of the loan by HKCT to ensure that public funds would be used for the designated purposes.

36. USED said that the loan would be secured by collaterals to reduce the financial risk to the Government. He said that HKCT was moving from a rented premises to a vacated school premises for which only nominal rent was to be charged. As a result, HKCT should be in much better financial position. PAS(FE) supplemented that the Architectural Services Department had assessed HKCT's proposal and was satisfied that the cost estimates were reasonable before the start-up loan application was submitted for consideration by VC. Subject to FC's approval of the funding application, the Administration would sign an agreement with HKCT Group Limited, which would include terms such as the submission of regular progress reports of HKCT's operation. The Administration would monitor HKCT's use of the loan.

37. Mr TANG Ka-piu noted that HKCT had previously applied for loans from the Government. He asked if the organization had already paid up the loans and whether HKCT had ever applied for extension of repayment period. He also enquired about the repayment record of post-secondary institutions that had benefited from the Start-up Loan Scheme. PAS(FE) said that HKCT had applied for a loan in 2006, which had been paid up. Another loan to the organization was approved in 2009. HKCT had consistently paid the instalments according to schedule. There was no record of payment in arrears. PAS(FE) said that, so far, there were about 10 applications for extension of repayment period and none of them involved HKCT.

38. Mr LEUNG Kwok-hung asked if all self-financing post-secondary institutions seeking start-up loans from the Government were non-profit-making organizations and whether these organizations might be offered different loan conditions from private financial institutions. USED confirmed that post-secondary educational institutions seeking land or funding support from the Government had to be non-profit-making organizations. Loans provided to successful applicants would be interest-free for the initial ten years. This condition was more favourable compared with the terms usually imposed by financial institutions in the private sector.

Implications on HKCT if the start-up loan was not successful

39. Mr WONG Kwok-hing noted that members had argued that the Administration should withdraw the funding application and draw up a timetable and implementation plan for amending PSCO, while a member suggested that the Administration or HKCT should modify the loan application and seek more resources to improve the remuneration of HKCT's teaching staff. Mr WONG considered these suggestions unfair and counterproductive. Mr TANG Ka-piu made a similar comment. Mr WONG Kwok-hing asked what difficulties HKCT would face if the loan application was not successful.

40. P&P, HKCT said that if the loan application failed, the renovation work would be delayed, and HKCT might have to incur extra expenditure on rent for temporary accommodation to avoid interruption to the education activities; the facilities and learning conditions might not be able to satisfy the accreditation requirements. Furthermore, the project would cost more if the works were delayed. P&P, HKCT added that HKCT was conscious of the need to provide reasonable employment terms for teaching staff. At present, academic staff were remunerated at a higher rate than most administrative personnel.

41. Principal, Architecture Design and Research Group said that HKCT staff and students had been creative in optimizing the use of a vacated school premises and creating a congenial learning environment. He observed that HKCT had exercised much restraint in working out the project budget.

Career prospect of HKCT graduates

42. Mrs Regina IP queried if HKCT could possibly ensure that every HKCT graduate could be employed. Mrs IP said that she had received a complaint from a HKCT graduate that the qualification received after having completed a Chinese medicine course was not recognized. Graduates could not claim refund from HKCT. P&P, HKCT said that it was the requirement of the Education Bureau that all submissions to the Executive Council seeking approval for offering academic programmes should be accompanied by supporting information about the career prospects of graduates. P&P, HKCT said that whether a graduate could find employment was affected by many factors that were beyond HKCT's control.

43. As regards the complaint case cited by Mrs Regina IP, P&P, HKCT said that the Chinese medicine programme was in operation before the legislation on the regulation of Chinese medicine was enacted. Students were forewarned before they enrolled in the programme that formal recognition of their academic qualification was not guaranteed. HKCT had tried to seek permission from the authorities to allow HKCT graduates to sit for the relevant professional examinations leading to a formal qualification, but to no avail. Mrs Regina IP reminded HKCT not to offer any courses the qualification of which would not be recognized. Mr TANG Ka-piu said that such problem was not limited to HKCT and that the Education Bureau had the responsibility to monitor the situation.

Tendering procedures for development of the HKCT and CTIHE campus

44. Mrs Regina IP asked whether the tendering and procurement procedure associated with the development of the new campus would conform to those adopted by the Government for public works. Vice President, Hong Kong College of Technology advised that HKCT had adopted a different set of procurement procedure which would also ensure that the tendering process would be conducted in a fair and open manner. HKCT was also advised by professional consultants on works-related matter.

45. Principal, Architecture Design and Research Group also advised that the tendering procedures were comparable to those adopted by the

Government. Mrs Regina IP said that the Administration should monitor the implementation of the project to ensure that it delivered value for money.

Policy on the provision of post-secondary education services

46. Mr LEUNG Kwok-hung said instead of providing favourable funding terms to encourage self-financing post-secondary educational institutions to provide education services, it might be more cost-effective for the Government to run such services on its own. USED said that Government's current policy was to encourage diversity in the provision of post-secondary education with parallel development of publicly-funded and self-financing degree and sub-degree programmes. He explained that the self-financing sector could address the changing market needs with greater flexibility.

47. Mr LEUNG Kwok-hung queried the validity of the policy as it might give rise to conflict of interests. The Chairman said that debate on education policy issues should be held at the relevant panel. He reminded members to focus discussion on the financial aspects of the proposal. Mr LEUNG said that without being able to clarify the policy behind the funding proposal, he would only vote against it.

48. The Chairman directed that members' speaking time for the second round of questions should not exceed three minutes, including the Administration's reply.

Provision of training for political parties by HKCT

49. Dr Helena WONG noted that HKCT had co-organized political cadet training programmes with the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB"). Dr WONG asked whether HKCT served DAB exclusively or if it would also co-organize training programmes if invited by other political parties. P&P, HKCT said that subject to approval of the HKCT's Management Board, HKCT could co-organize training programmes with different organizations, including political parties. In fact, HKCT had conducted tailor-made training programmes with large commercial organizations. P&P, HKCT stressed that these training programmes were unrelated to the post-secondary programmes to be supported under the Start-up Loan Scheme, or, specifically, to the funding application under deliberation.

50. Miss Alice MAK commented that whether HKCT had helped certain political party to organize training programmes was irrelevant to the current deliberation. She said that the debate should focus on how the

Administration could ensure that the loan would be used properly in achieving the policy objectives, whether the project cost would not over-run and that the loan could be repaid in time.

51. Ms Emily LAU argued that it was legitimate for members to query whether it was proper for an educational institution that received loan or other types of funding from the Government to organize training for members of a political party.

52. The Chairman ruled that whether or not HKCT was organizing training programmes for political parties was not related to the funding application. The Chairman also reminded the Administration to focus on issues pertinent to the funding proposal in its response.

53. USED said that the proposed loan was to be provided to HKCT to operate the ten proposed programmes in the new campus as listed in the Administration's submission (Enclosure 5 to FCR(2013-14)58). These programmes did not include training programmes for political parties. USED added that HKCT was a self-financing educational institution, and the Education Bureau's approval was not required for the institution to co-organize programmes with commercial organizations or political parties. P&P, HKCT confirmed that the start-up loan and the new campus would only be used for operating locally accredited post-secondary programmes.

54. Mr TAM Yiu-chung declared that he was the Honorary Chairman of HKCT's Management Board. He appealed to members to support the funding proposal which supported a self-financing post-secondary institution to address the education needs of many young people. He said that members should not over-politicize the matter.

55. Mr Martin LIAO declared that he was a member of HKCAAVQ. He said that he had also served as member in VC previously. Mr LIAO said that a start-up loan application had undergone rigorous vetting before it was submitted to FC for approval. First, the applicant must undergo institutional review through which HKCAAVQ had to be satisfied that the applicant's institution had the proper governance structure and adequate facilities, and that each programme had met the international benchmarks on academic standard. Secondly, VC would review the financial capability of the institution and its ability to admit sufficient number of students.

56. Mr Martin LIAO suggested that, in deliberating the funding proposal, members should focus on whether there had been any deficiency in the initial screening process and not to use the application to bargain for the

Administration's concession on policy matters, nor should members apply political screening against the applicant.

57. Mr KWOK Wai-keung echoed Mr LIAO's views that the vetting process of the loan application was rigorous and was conducted by independent and highly credible professionals. Mr KWOK said that there was urgency in the application as the current HKCT premise would expire in August 2015 and the new campus would have to be in operation by the beginning of the 2015/2016 academic year. Early approval should be given to the loan application so that HKCT would have more time for preparation to ensure that all essential facilities would be available for students by the beginning of a new term.

58. Miss Alice MAK said that members should consider the loan application from students' perspectives. She said that students seeking post-secondary education opportunities would be more concerned about whether a programme being operated by an institution was recognized or had been accredited, and whether an institution had the necessary and adequate facilities and educational resources. They were less concerned about the political affiliation of the Management Board members. Miss MAK appealed to members for rational consideration of the funding proposal.

Other views in support of the funding proposals

59. Mr Frankie YICK said that he supported the proposal. He said that the proposal was not a grant but a loan on collateral requiring repayment. Mr YICK also noted that post-secondary programmes offered by HKCT in the proposed campus would have to be subject to rigorous local accreditation process. Mr YICK said that since some members had on many occasions criticized that UGC-funded undergraduate degree places were insufficient and the provision of the Administration's resources was inadequate to meet the demand for undergraduate places in the short term, private educational sector's efforts to provide post-secondary places should be supported.

60. Dr LAM Tai-fai appealed to members to focus discussion on the proposed loan for HKCT. He said the Panel on Education had substantial discussion on the proposal in mid-January Panel members' main concern was that HKCT might charge students high tuition fees to repay the loan and that the Administration should step up monitoring the operation of self-financing post-secondary institutions to ensure the quality of the education programmes offered. Dr LAM urged the Administration to take suitable measures to address the issues raised by members.

61. The Chairman directed that members' speaking time for the third round of questions should not exceed two minutes, including the Administration's reply.

62. Dr Kenneth CHAN said that some members, in their comments, had tried to impute other members' intention in raising queries or objection against the funding proposal. He said that under Rule 41(5) of the Rule of Procedure of the Legislative Council ("RoP"), "a Member shall not impute improper motives to another Member". He sought the Chairman's ruling in this regard.

63. The Chairman said that he did not consider that any member had breached RoP 41(5) during the current discussion.

64. The Chairman said that the current funding proposal was part of the overall commitment to education by the Government and different educational institutions might compete for resources amongst each other. Against this background, he reminded members to consider declaring interests if the remuneration they received from their teaching work was funded from the Government's provision on education.

65. Dr Helena WONG indicated intention to speak for the third time. The Chairman directed that her speaking time should be limited to one minute.

66. Dr Helena WONG regretted that the Administration had failed to give a positive response to members' query of a definite timetable for reviewing and amending PSCO.

67. As regards the comments made by Miss Alice MAK, Dr Helena WONG said that as the loan application involved public funds, members were apt to query whether beneficiary institutions were serving a particular political party. She noted that HKCT's principal had responded that the institution had co-organized training programmes with various commercial organizations. Dr WONG indicated that while P&P, HKCT would be ready to co-operate with other political parties in organizing training activities, she was concerned that the principal's decision would be subject to the approval of the Managing Board, which comprised many DAB members.

68. There being no other questions, the Chairman put the item to vote. At the request of Dr Helena WONG, the Chairman ordered a division. The Chairman said that 27 members voted in favour of the proposal and 16 voted against the proposal. The voting results of individual members were as follows –

For:

Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr WONG Ting-kwong
Dr LAM Tai-fai
Mr CHAN Kin-por
Mr WONG Kwok-kin
Mr James TIEN Pei-chun
Mr Frankie YICK Chi-ming
Mr MA Fung-kwok
Mr LEUNG Che-cheung
Mr KWOK Wai-keung
Mr TANG Ka-piu
Ir Dr LO Wai-kwok
Mr Tony TSE
(27 members)

Mr Vincent FANG Kang
Mr Jeffrey LAM Kin-fung
Ms Starry LEE Wai-king
Mr CHAN Hak-kan
Dr Priscilla LEUNG Mei-fun
Mr IP Kwok-him
Mr Steven HO Chun-yin
Mr YIU Si-wing
Miss CHAN Yuen-han
Miss Alice MAK Mei-kuen
Mr Martin LIAO Cheung-kong
Dr CHIANG Lai-wan
Mr Christopher CHUNG Shu-kun

Against:

Mr Albert HO Chun-yan
Mr James TO Kun-sun
Mr Frederick FUNG Kin-kee
Mr CHEUNG Kwok-che
Mr Albert CHAN Wai-yip
Mr Charles Peter MOK
Dr Kenneth CHAN Ka-lok
Dr Helena WONG Pik-wan
(16 members)

Mr LEE Cheuk-yan
Ms Emily LAU Wai-hing
Mr Ronny TONG Ka-wah
Mr Alan LEONG Kah-kit
Mr Gary FAN Kwok-wai
Mr CHAN Chi-chuen
Mr SIN Chung-kai
Mr IP Kin-yuen

69. The Chairman declared that the Committee approved the item.
70. The meeting was adjourned at 6:24 pm.