

立法會

Legislative Council

LC Paper No. FC194/17-18

(These minutes have been
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Finance Committee of the Legislative Council

**Minutes of the 63rd meeting
held at Conference Room 1 of the Legislative Council Complex
on Wednesday, 19 July 2017, at 9:00 am**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP

Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kyok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Dr Hon Pierre CHAN
Hon CHAN Chun-ying
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho

Members absent:

Hon Michael TIEN Puk-sun, BBS, JP (Deputy Chairman)
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon WONG Ting-kyong, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Dennis KWOK Wing-hang
Dr Hon Elizabeth QUAT, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon YUNG Hoi-yan
Hon Tanya CHAN

Public officers attending:

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Jenny CHOI Mui-fun	Acting Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mr Raistlin LAU, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)3
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Kevin YEUNG Yun-hung, JP	Secretary for Education
Mr Brian LO Sai-hung, JP	Acting Permanent Secretary for Education
Mrs Angelina CHEUNG, JP	Deputy Secretary for Education (6)
Mr Godwin LAI Kam-tong	Principal Assistant Secretary for Education (Special Education), Education Bureau

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Mr Derek LO	Chief Council Secretary (1)5
Ms Ada LAU	Senior Council Secretary (1)7
Mr Raymond SZETO	Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)6

The Chairman reminded members of the requirements under Rules 83A and 84 of the Rules of Procedure.

Item No. 1 — FCR(2017-18)24
HEAD 156 — GOVERNMENT SECRETARIAT: EDUCATION BUREAU
Subhead 000 — Operational expenses

2. The Chairman advised that this item invited the Finance Committee ("FC") to approve a supplementary provision of \$2,253 million in 2017-2018 under Subhead 000 "Operational expenses" of Head 156 "Government Secretariat: Education Bureau"; and an increase in the ceiling placed on the total notional annual mid-point salary value of all non-directorate posts in the establishment of Head 156 "Government Secretariat: Education Bureau" in 2017-2018 by \$106,479,780 for the creation of 199 non-directorate civil service posts. The two proposals were aimed at enabling the Education Bureau ("EDB") to implement the priority initiatives to support quality education at various levels with effect from the 2017-2018 academic/school year. FC had commenced deliberation on this item at the meeting on 14 July 2017.

Meeting arrangements and order at meetings

3. The Chairman reminded members that they should not take photos inside the conference room and should be mindful of the requirements under paragraph 32 of the Finance Committee Procedure ("FCP").

4. Mr CHU Hoi-dick said that FC should not hold any meeting when six Members of the Legislative Council ("LegCo"), having been successively disqualified from assuming the office of a member of LegCo ("the Office") by the Court, were unable to attend FC meetings. In this connection, he asked the Chairman about the criteria based on which he decided to hold additional FC meetings, and whether a quorum would be present at those meetings.

5. The Chairman said that he had received from Mr CHU a letter addressed to the Chairman in respect of the above issue. He would reply to Mr CHU's enquiries in writing after the meeting. The Chairman further advised that instead of raising the issue of the Court's ruling on the disqualification of a number of LegCo members, members should focus on the discussion of the items on the agenda during FC meetings.

[*Post-meeting note:* A letter from Mr CHU Hoi-dick to FC Chairman (LC Paper No. FC261/16-17(01)) (Chinese version only) and FC Chairman's reply (LC Paper No. FC261/16-17(02))(Chinese version only) were circulated to members on 12 September 2017.]

6. In reply to Mr CHU Hoi-dick's question about the possibility of holding additional FC meetings during the summer recess, the Chairman said that today's meetings were the last day of FC meetings in the 2016-2017 session.

7. Mr Andrew WAN asked the Chairman why he decided not to hold meetings on 20 and 21 July 2017, i.e. the dates originally intended for FC meetings.

8. The Chairman explained that as a usual practice, he would proceed to hold the additional meetings when there were more than 30 members giving prior indication of their willingness to attend those meetings. Given that only 10-odd members had indicated in their replies that they were willing to attend the meetings on the aforesaid dates, he decided not to hold the two additional meetings.

[A number of members (including Ms Claudia MO, Mr CHAN Chi-chuen, Dr Fernando CHEUNG and Mr CHU Hoi-dick) had remained standing since the commencement of the meeting.]

9. Citing FCP 35 which stated that members should remain seated at FC meetings and needed not rise in order to speak, Mr Paul TSE urged the Chairman to remind members to observe the requirement concerned.

10. The Chairman demanded the members concerned to remain seated but they did not act accordingly. The Chairman advised that if the members concerned failed to comply with the Chairman's order that members should remain seated, the conduct of the members concerned would be regarded as grossly disorderly and the Chairman might order them to withdraw from the meeting immediately.

11. Mr James TO was of the view that the Chairman needed not order those members to cease standing if such act did not cause any disruption to the conduct of the meeting. Mr HUI Chi-fung, Mr Alvin YEUNG and Mr KWONG Chun-yu expressed similar views.

12. The Chairman explained that FC meetings must proceed in accordance with FCP and demanded once again the members concerned to remain seated.

13. At 9:15 am, the Chairman declared that the meeting be suspended to deal with the issue of order in Committee.

14. The meeting resumed at 9:21 am. The Chairman repeatedly demanded Dr Fernando CHEUNG, who remained standing, to sit down. Refusing to sit down, Dr Fernando CHEUNG said that he remained standing to protest against the Administration's act of resorting to legal means to disqualify a number of LegCo Members from assuming the Office.

15. The Chairman said that he would order Dr Fernando CHEUNG to immediately withdraw from the meeting if he refused to remain seated. Mr Andrew WAN and Mr KWONG Chun-yu disagreed with the Chairman's decision.

16. At 9:27 am, the Chairman declared once again that the meeting be suspended to deal with the issue of order in Committee.

17. The meeting resumed at 9:37 am. Dr Fernando CHEUNG remained standing. Pointing out that Dr CHEUNG had refused to remain seated despite the Chairman's repeated requests, the Chairman ordered Dr CHEUNG to immediately withdraw from the meeting. Under the escort of the security staff, Dr CHEUNG left the conference room.

18. Mr HUI Chi-fung and other members respectively complained to the Chairman against Mr LUK Chung-hung and Mr CHAN Han-pan for taking photos in the conference room. Mr CHAN denied the allegation. While giving a warning to Mr LUK, the Chairman advised again that members should remain calm and refrain from taking photos in the conference room.

Non-means-tested subsidy scheme for self-financing undergraduate studies in Hong Kong and the Mainland

19. Mr James TO questioned why students pursuing self-financing undergraduate programmes in the eight institutions funded by the University Grants Committee ("UGC") were not covered under the funding proposal. He urged the Administration to review the relevant policy, so that the above students could also benefit from the proposed non-means-tested subsidy scheme for self-financing undergraduate studies in Hong Kong and the Mainland ("Subsidy Scheme"). Mr Alvin YEUNG expressed a similar view.

20. Mr SHIU Ka-fai said that the Liberal Party supported the funding proposal. Mr SHIU urged the Administration to extend the scope of the proposed Subsidy Scheme to cover self-financing undergraduate programmes, or even sub-degree programmes, operated by UGC-funded institutions.

21. Mr KWONG Chun-yu expressed concern over the lack of financial support for sub-degree programmes. Mr Andrew WAN noted that the proposed Subsidy Scheme did not cover sub-degree programmes. He questioned whether the authorities intended to let sub-degree programmes fade out from the market.

22. Mr KWOK Wai-keung expressed support for the funding proposal. He hoped that apart from the funding proposal currently under discussion, the other seven agenda items could also be approved by FC. Moreover, he held that the proposed Subsidy Scheme should be extended to cover vocational education programmes. Mr KWOK and Mr KWONG Chun-yu urged the Administration to ensure that the tuition fees of the programmes covered by the proposed Subsidy Scheme would remain at a reasonable level after the funding proposal had been approved.

23. Mr LAM Cheuk-ting was concerned that most of the non-local students pursuing local tertiary programmes were Mainland students, which was inconsistent with the target of promoting internationalization of universities, and that having too many Mainland students would also deplete the education resources earmarked for local students.

24. Prof Joseph LEE declared that he was teaching at a self-financing institution, and if the funding proposal was approved, students enrolled in the self-financing undergraduate programmes operated by that institution would benefit from the proposed Subsidy Scheme. He asked the Administration to clarify whether the proposed Subsidy Scheme would adopt the modus operandi of "money following the institutions" or "money following the students".

25. Mr Charles Peter MOK considered that the proposed Subsidy Scheme should allow students to enjoy the right of choice, so that they could choose, at their own will, the desired tertiary programmes, regardless of whether they were operated by a self-financing institution or a UGC-funded institution. Mr Jeremy TAM asked the authorities whether the proposed Subsidy Scheme sought to help self-financing institutions or the students pursuing programmes operated by those institutions.

26. Secretary for Education ("SED") responded that:

- (a) the Subsidy Scheme proposed by the Administration sought to subsidize students who had attained "3322" in the Hong Kong Diploma for Secondary Education Examination ("HKDSE") (i.e. the minimum admission requirement for UGC-funded undergraduate programmes) but failed to obtain a place in the relevant programmes and had to be enrolled in the undergraduate programmes operated by self-financing institutions;
- (b) the authorities held that although the proposed Subsidy Scheme would not cover sub-degree programmes, the arrangement would not impact greatly on students pursuing sub-degree programmes because the admission requirement for these programmes was at least Level 2 in five HKDSE subjects and this result did not meet the minimum admission requirement for UGC-funded undergraduate programmes;
- (c) in terms of quality and popularity, many undergraduate programmes operated by self-financing institutions were no less favourable than those operated by UGC-funded institutions;
- (d) owing to the upside of shared use of facilities, UGC-funded institutions had an advantage over their self-financing counterparts in operating self-financing undergraduate programmes in terms of student admission. The proposed Subsidy Scheme was dedicated to providing assistance for students pursuing self-financing undergraduate programmes operated by self-financing institutions, so that self-financing institutions and UGC-funded institutions could compete on a relatively level playing field;
- (e) the authorities would later review the role and positioning of the self-financing post-secondary sector. Upon completion of the review, the authorities would consider whether the scope of the proposed Subsidy Scheme would be extended to cover the self-financing undergraduate programmes operated by UGC-funded institutions;

- (f) government funding would be allocated to self-financing institutions according to the number of students enrolled in their subsidized programmes. EDB would put in place a mechanism to monitor the annual increase in tuition fees of subsidized programmes under which the rate of tuition fee increase must not exceed the rate of increase of the Composite Consumer Price Index. Prior approval from EDB must be obtained for exceptional cases;
- (g) most vocational education programmes of the Vocational Training Council (e.g. diploma and higher diploma programmes) were subsidized by the Government; and
- (h) all the 15 000 UGC-funded first-year-first-degree places would be allocated to local students. All non-local students at these programmes could only be admitted through over-enrolment outside the approved UGC-funded student number targets. As Hong Kong was adjacent to the Mainland, many non-local students came from the Mainland.

27. Dr CHENG Chung-tai declared that he was a teaching staff member in a university. As tertiary institutions did not operate on commercial principles, he did not share the Administration's policy intention of allowing competition between self-financing institutions and UGC-funded institutions. Echoing the above views, Mr SHIU Ka-chun expressed worries over the trend of privatization in the higher education sector.

28. Mr Alvin YEUNG cited the example of the Bachelor of Veterinary Medicine Programme, a self-financing programme operated by the City University of Hong Kong (a UGC-funded institution). He said that as self-financing institutions would not operate similar programmes, there would not be any competition between self-financing institutions and UGC-funded institutions. However, students pursuing these programmes were not entitled to any subsidies under the proposed Subsidy Scheme. Mr Jeremy TAM expressed a similar view.

29. SED responded that:

- (a) apart from the proposed Subsidy Scheme, various financial assistance schemes were in place to assist tertiary students with financial difficulties to pay tertiary tuition fees and living expenses;

- (b) the Government had no intention to promote the marketization of the higher education sector; on the contrary, the higher education policy of the Government sought to encourage publicly-funded institutions and self-financing institutions to complement each other in the development of higher education, and provide pathways with multiple entry and exit points for students. Under the policy, other than teaching, UGC-funded institutions also played the role of knowledge creation, while self-financing institutions mainly played the role of knowledge distribution; and
- (c) the regulatory regime for UGC-funded institutions was different from that for their self-financing counterparts: the self-financing undergraduate programmes operated by UGC-funded institutions only required self-accreditation by the institutions themselves, but self-financing undergraduate programmes operated by self-financing institutions required prior accreditation by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and approval of the Chief Executive in Council.

The proposal of increasing the teacher-to-class ratio for public-sector primary and secondary schools

30. Mr HO Kai-ming said that the Hong Kong Federation of Trade Unions supported the funding proposal. Given that at present, the majority of secondary school teachers were degree holders but only a handful of them were remunerated under the terms of Graduate Master/Mistress ("GM") when they were employed, Mr HO asked whether EDB would comprehensively review the policy of Certificated Master/Mistress ("CM") and GM, so that the remunerations offered to teachers holding a university degree would be on a par with their academic qualifications.

31. SED responded that:

- (a) in the past few years, the authorities had spared no effort to increase the ratio of GM posts in public-sector primary and secondary schools. For example, at present, about 85% of the posts on the approved teaching establishment of public-sector secondary schools were GM posts while the remaining 15% were non-GM posts. The authorities would further explore the policy on all-graduate teaching force; and

- (b) under the proposal of increasing the teacher-to-class ("T/C") ratio for public-sector primary and secondary schools by 0.1, the additional posts to be created were all GM posts.

The proposal of enhancing the salary arrangements for kindergarten teachers

32. Mr HO Kai-ming expressed concern over whether the Administration would put in place a salary scale for kindergarten teachers and set up a mechanism to resolve the disputes between school sponsoring bodies of kindergartens and their teaching staff.

33. Prof Joseph LEE urged the Administration to put in place a salary scale for kindergarten teachers. Mr KWONG Chun-yu expressed concern over the support provided for kindergarten teachers.

34. SED responded that:

- (a) the enhanced salary arrangements for kindergarten teachers in the funding proposal included: (i) starting from 2018-2019 school year, the teaching staff salary-related subsidies under the Free Quality Kindergarten Education Policy would be adjusted every school year based on the annual civil service pay adjustment; and (ii) the two-year (2017-2018 and 2018-2019 school year) tide-over grant would be extended for three years till the 2021-2022 school year; and
- (b) as the Chief Executive had proposed in her election manifesto that a salary scale for kindergarten teachers would be put in place, EDB would review the implementation of the new policy and discuss the relevant proposals with the sector. In exploring the feasibility of putting in place a salary scale, EDB must take into account the impact of the relevant proposals on the operation of the sector and how to ensure the proper use of public money.

Other concerns

35. Noting that among the additional \$5 billion recurrent funding on education proposed by the Chief Executive in her election manifesto, a sum of \$3.6 billion was spent on this funding proposal, Mr LAM Cheuk-ting asked whether the Administration would use the remaining new recurrent funding on promoting civic education, especially on safeguarding the core values of Hong Kong.

36. SED responded that as the Administration was currently considering how to use the remaining new recurrent funding on education, the proposal suggested by Mr LAM could be considered. Mr CHU Hoi-dick held that the decision on how to use the new education funding should rest with members of the public and their representatives (i.e. LegCo Members), rather than the Administration.

37. Mr CHEUNG Kwok-kwan said that the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposal. He urged the Administration to expeditiously review the salary arrangements for kindergarten teachers, so as to confirm the feasibility of putting in place a salary scale for kindergarten teachers, deploy additional resources to alleviate the burden of administrative work on primary and secondary school teachers, and review the development of higher education (including the positioning of the self-financing post-secondary sector and sub-degree programmes).

38. SED undertook that the Administration would strive to enhance the education system and address the problems encountered by the sector.

39. At 11:01 am, the Chairman declared that the meeting ended.

Legislative Council Secretariat
15 March 2018