

**立法會**  
***Legislative Council***

LC Paper No. FC196/17-18

(These minutes have been  
seen by the Administration)

Ref : FC/1/1(31)

**Finance Committee of the Legislative Council**

**Minutes of the 65<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Wednesday, 19 July 2017, at 2:30 pm**

**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  
Hon Tommy CHEUNG Yu-yan, 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-kwok, 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 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 WONG Ting-kwong, 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 HO Kai-ming



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
--------------	-------------------------------

**Staff in attendance:**

Ms Ada LAU	Senior Council Secretary (1)7
Mr Raymond SZETO	Council Secretary (1)5
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5

---



**Item No. 1 — FCR(2017-18)24**

**Head 156 — GOVERNMENT SECRETARIAT: EDUCATION  
BUREAU**

**Subhead 000 — Operational expenses**

The Finance Committee ("FC") continued with the deliberation on item FCR(2017-18)24.

2. Mr CHAN Han-pan and Dr Priscilla LEUNG stated that although the current-term Government only assumed office 10-odd days ago, it had expeditiously increased the allocation of resources for the education sector. Such a move showed exactly that the current-term Government was willing to heed the views of the public, and the proposal had cross-party support. Mr CHAN called on members of the non-establishment camp not to delay the passage of the present item, so as to avoid delaying the scrutiny of other items on the agenda (such as PWSC(2017-18)9 which related to the construction and redevelopment of hospitals). If members had views on the education policy, they could raise the same at meetings of the Panel on Education in future.

3. Dr Fernando CHEUNG criticized that the Administration's proposal to allocate \$5 billion for the implementation of its education policy was hardly adequate to rectify the flaws in the present education system. Considering that the proposal must be carefully scrutinized by FC, he could not agree with the views expressed by pro-establishment members that the item should be approved as soon as possible.

Non-means-tested subsidy scheme for self-financing undergraduate studies

4. Mr James TO and Mr Alvin YEUNG criticized the Administration for arbitrarily changing the existing education policy without fully consulting the eight tertiary institutions funded by the University Grants Committee ("the eight UGC-funded institutions"), such that the scope of the non-means-tested subsidy scheme only covered self-financing undergraduate programmes offered by designated post-secondary institutions. They urged the Administration to revise the present proposal and extend the scope of the non-means-tested subsidy scheme to cover all undergraduate programmes. After that, the Administration should conduct a review of the higher education policy. Mr YEUNG said that as the present proposal could not fully address the problems in the higher education system, the Civic Party would vote in abstention. Expressing similar views, Dr KWOK Ka-ki opined that the measures under the present proposal would create division in the education sector.



5. Mr James TO, Mr CHU Hoi-dick, Mr IP Kin-yuen, Mr Kenneth LEUNG, Ms Claudia MO, Mr CHAN Chi-chuen and Mr WU Chi-wai strongly called on the Administration to adopt a "student-based" approach and provide the non-means-tested subsidy for all undergraduate programmes on the basis of the number of students admitted, so that students could freely choose their desired undergraduate programmes. Ms MO and Mr CHAN sought the Administration's undertaking that the existing measures would be revised in the Policy Address to be delivered in October. Mr Kenneth LEUNG and Mr Andrew WAN asked the Administration to provide a timetable on reviewing the relevant measures.

6. Mr Abraham SHEK opined that instead of holding the stingy view that the eight UGC-funded institutions might be receiving double subsidies, the Administration should focus on nurturing talents and extend the scope of the subsidy to cover all undergraduate programmes. Nonetheless, he held that the present item should be approved first, and the Administration could re-adjust its education policy in the context of the forthcoming Policy Address, after fully consulting the views of all sides. Expressing similar views, Dr Priscilla LEUNG hoped that the Administration could provide subsidies for popular programmes offered by the eight UGC-funded institutions.

7. Mr Jeremy TAM was concerned whether it would constitute double subsidies if certain programmes were eligible for both the Continuing Education Fund ("CEF") and the proposed non-means-tested subsidy scheme; and if so, what actions would be taken by the Administration.

8. Mr KWONG Chun-yu and Mr SHIU Ka-chun criticized that the proposed non-means-tested subsidy scheme had neglected the students of associate degree programmes, the Hong Kong Institute of Vocational Education and the Diploma Yi Jin Programme. In particular, Mr SHIU was concerned that students pursuing associate degree programmes were plagued by the problem that their qualifications did not have sufficient recognition.

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

- (a) the Chief Executive had already fully consulted the management of the eight UGC-funded institutions and other affected institutions on the proposed scheme before she assumed office. The stakeholders did not raise any objection to the present proposal;



- (b) when contemplating the proposed non-means-tested subsidy scheme, a key consideration of the Administration was the need to strike a balance between UGC-funded institutions and self-financing institutions, and no consideration had been given to whether the eight UGC-funded institutions would receive double subsidies. Separately, there was no relationship between CEF and the proposed non-means-tested subsidy scheme as they served different purposes. The provision of subsidies under CEF would not be affected by the implementation of the non-means-tested subsidy scheme. Moreover, subsidies under CEF were provided to individual applicants and hence, there was no question about certain programmes receiving double subsidies;
- (c) while noting the views of members, the Administration considered that the provision of subsidies for students of all undergraduate programmes might substantially change the ecology of tertiary education in Hong Kong. Hence, it was necessary to conduct in-depth consultation with all stakeholders before considering the way forward; and
- (d) the Administration would, at a later stage, revisit the role and positioning of self-financing post-secondary institutions, which included studying the way forward for associate degree programmes and exploring the Government's role in steering and promoting the development of post-secondary education.

10. Dr Fernando CHEUNG and Mr Andrew WAN criticized that notwithstanding the Government's present proposal to provide non-means-tested subsidy to students pursuing self-financing undergraduate programmes, it was still very unfair as these students had to pay higher tuition fees as compared with the fees payable by students pursuing publicly-funded undergraduate programmes. They requested the Administration to set the amount of the proposed non-means-tested subsidy at 80% of the costs of the relevant programmes, so that the subsidy level would be on a par with that provided by the Government for publicly-funded undergraduate programmes. Expressing similar views, Mr SHIU Ka-chun criticized that the Administration's consultation was limited to the educational institutions, and the aspirations of parents and youth organizations had not been taken into account.



11. SED replied that according to the Administration's understanding, in general, the annual tuition fee of undergraduate programmes offered by self-financing institutions was about \$70,000 to \$80,000 on average. By capping the amount of the non-means-tested subsidy at \$30,000 annually, the Administration hoped that it could help reduce the tuition fees payable by students pursuing self-financing undergraduate programmes to a level similar to that of publicly-funded undergraduate programmes. The Administration noted the views expressed by Mr SHIU.

12. Mr Andrew WAN hoped that the scope of the proposed non-means-tested subsidy could be further expanded to cover other vocational training programmes (such as Western culinary courses). He was also concerned whether self-financing undergraduate programmes offered by the Vocational Training Council ("VTC") were covered under the scheme. SED pointed out that at present, most diploma vocational training programmes were already subsidized by the Administration. Self-financing undergraduate programmes offered by VTC were also covered under the non-means-tested subsidy scheme.

*Impact of the subsidy on the tertiary education sector*

13. Mr Kenneth LEUNG expressed concern about market competition between the eight UGC-funded institutions and other self-financing post-secondary institutions. He opined that so far, there were no signs indicating that the provision of undergraduate programmes was being monopolized by the eight UGC-funded institutions. He thus queried that the Administration had unjustifiably introduced the proposed subsidy scheme for the purpose of active intervention.

14. Dr CHENG Chung-tai considered that with the proposed non-means-tested subsidy, more students would be attracted to study in institutions covered by the proposed scheme. He was concerned whether these institutions had the resources and capability to cope with the additional student intake. Separately, due to the effect of market competition, institutions outside the scope of the proposed scheme (such as the community colleges of the eight UGC-funded institutions) and associate degree programmes might be affected in terms of the number of student intake and the level of tuition fees. He asked whether the Administration had assessed the number of students who would switch to the self-financing undergraduate programmes covered by the scheme in the coming academic year after the implementation of the non-means-tested subsidy scheme, as well as the amount of administrative costs arising therefrom.



15. Mr CHAN Chi-chuen was concerned that as self-financing undergraduate programmes offered by the eight UGC-funded institutions were not covered under the proposed scheme, students with financial needs might be forced to give up those programmes and switch to the self-financing undergraduate programmes covered by the proposed scheme.

16. Dr Helena WONG questioned that the Administration might have underestimated the impact of the proposed non-means-tested subsidy scheme (which was tilting towards the programmes offered by self-financing post-secondary institutions) on other programmes. She was worried that self-financing undergraduate programmes outside the scope of the proposed scheme might have to be cancelled due to insufficient enrolment, leading to problems such as staff cut by the relevant institutions. She urged the Administration to consider providing additional subsidy with the remaining balance of \$1.4 billion in the \$5 billion funding provision earmarked by the Chief Executive for education policy.

17. SED responded that:

- (a) the Administration did not consider the matter from the perspective of market competition, nor had the intention of affecting healthy competition among the institutions;
- (b) the Administration's initial view was that the proposed non-means-tested subsidy would have no significant impact on the enrolment of post-secondary institutions;
- (c) if students had financial needs, the Administration would provide them with student subsidies or loans, regardless of the nature of undergraduate programmes they pursued; and
- (d) according to the Administration's understanding, most of the non-subsidized programmes mentioned by Dr Helena WONG were associate degree programmes, which involved about 14 000 places. By comparison, self-financing undergraduate programmes not covered by the proposed scheme only involved about 1 000 places. The Administration had made enquiries with the relevant institutions and was informed that the initial enrolment figures for the coming academic year was generally steady.



*Monitoring of the self-financing institutions covered by the proposed subsidy scheme*

18. Mr CHAN Chi-chuen asked about the Administration's monitoring of the self-financing institutions covered by the proposed subsidy scheme to ensure that they would not increase tuition fees arbitrarily for profits, as well as the manpower responsible for monitoring such institutions. Dr CHENG Chung-tai and Ms Claudia MO also raised similar questions.

19. Mr KWONG Chun-yu enquired about the measures to be taken by the Administration to monitor the quality of undergraduate programmes offered by self-financing institutions.

20. SED replied that:

- (a) the Education Bureau would enter into agreements with the eligible self-financing institutions on the level of tuition fees, which allowed for adjustments according to the movement of Composite Consumer Price Index ("CCPI"). Nonetheless, if the rate of tuition fee increase was higher than CCPI increase, the Bureau would demand an explanation from the institutions concerned, including their rationale as well as the perceived benefits in facilitating the development in teaching and learning. If the Education Bureau was not satisfied with the explanation, it could disallow the tuition fee increase. The relevant work would be taken up by staff of the Education Bureau; and
- (b) the undergraduate programmes offered by self-financing institutions were mainly accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications through a vigorous accreditation process. Separately, prior to the launching of new undergraduate programmes by some self-financing institutions, the institutions must first obtain the approval of the Chief Executive in Council.



*Provision of subsidy to students pursuing eligible undergraduate programmes in the Mainland*

21. Dr Priscilla LEUNG considered the proposed \$5,000 annual subsidy for students pursuing eligible undergraduate programmes in the Mainland inadequate. She suggested that the amount of annual subsidy for each student be increased to \$10,000.

22. Mr CHAN Chi-chuen noted that due to existing policy constraints, the Administration would only provide subsidy to students pursuing eligible undergraduate programmes in the Mainland, but not students studying in other countries or places. Mr CHAN asked if the Administration would consider expanding the scope of eligible institutions to include, say, those in the Belt and Road countries. Mr CHAN was also concerned whether undergraduate programmes offered by some higher education institutions under the Scheme for Admission of Hong Kong Students to Mainland Higher Education Institutions were up to standard academically. He urged the Administration to set out, in the relevant information, the ranking of the eligible institutions in the Mainland.

23. In response, SED advised that:

- (a) different scholarships were being provided by the Education Bureau to Hong Kong students pursuing studies in different parts of the world; and
- (b) given the Administration's current policy to provide subsidy to students pursuing further studies in the Mainland, the present item was merely an extension of the current policy.

Special educational needs coordinators

24. Mr IP Kin-yuen said that while the education sector was eagerly waiting for the item's approval, the present proposal was still inadequate, and the Administration should continue to enhance the relevant measures. For instance, the rank of special educational needs coordinators ("SENCOs") should be upgraded from junior to senior teachers. Mr LEUNG Yiu-chung queried that the regularization of SENCO provision alone was inadequate if the relevant initiatives were to be implemented effectively. Mr Alvin YEUNG requested the Administration to review the arrangements for SENCOs in two to three years' time and revert to the Legislative Council ("LegCo") in writing.



25. Mr Alvin YEUNG asked whether the Administration had already recruited enough qualified staff to cope with the regularization of SENCO provision. He also expressed concern about the provision of training for SENCOs.

26. Mr WU Chi-wai noted that the Education Bureau would need to work with the Labour and Welfare Bureau when carrying out its work to support special education. He sought information on the relevant coordination arrangements.

27. In reply, SED and Principal Assistant Secretary for Education (Special Education), Education Bureau stated that:

- (a) when applying for funding from the Community Care Fund to implement the Pilot Project on SENCOs previously, the Administration had already consulted LegCo and stakeholders in order to clearly define the duties of SENCOs, as well as their requisite qualification and training;
- (b) the Administration provided professional training for SENCOs, which included the commissioning of an expert from the United Kingdom, who came to Hong Kong for a stay lasting about two weeks every half a year to provide training for SENCOs. Staff of the Education Bureau would also organize networking activities, experience-sharing seminars, etc. for SENCOs to facilitate professional exchanges and collaboration. The schedule of such training activities would tie in with the commencement of school years and school holidays;
- (c) to enhance the awareness of local post-secondary institutions of training for SENCOs, the Administration would arrange the expert from the United Kingdom to have exchanges with staff of local post-secondary institutions. In the long run, the Administration hoped that training for SENCOs could be provided by local post-secondary institutions;
- (d) in 2017-2018 school year, the Administration would continue with the relevant review according to its plan, and would compile a report upon completion of the review; and



- (e) at present, resources for providing support for children with special educational needs ("SEN") aged under six came from the Labour and Welfare Bureau, while it was the entire Government's responsibility to take care of SEN children. For example, under an ongoing pilot scheme, resources were allocated by the Social Welfare Department to provide services for SEN students in kindergartens. On the part of the Education Bureau, it would ensure the provision of suitable training for kindergartens teachers so that they could take proper care of students with diversified needs in normal classes.

#### Strengthening support for schools in information technology

28. When responding to questions from Mr Jeremy TAM, SED confirmed that the additional funds to provide a recurrent cash grant for all public sector primary and secondary schools (including special schools) to strengthen staffing support in information technology ("IT") could only be used towards the employment of additional staff. However, if the schools concerned increased staffing support through outsourcing, the Administration would not impose any ceiling on the remuneration package of the staff concerned.

#### Discussion on the education policy

29. Dr Priscilla LEUNG said that the Administration should ensure long-term macro planning for its education policy. Moreover, it should widely consult all stakeholders (including parents and educators) when reviewing the mode of teaching and design of teaching materials, as well as reforming the teaching staff establishment, so that suitable talents could be nurtured to cope with the needs of Hong Kong society in the next 5 to 10 years. Expressing particular concern about the problem of student suicide, she highlighted the need for the Administration to strengthen life education. Separately, Dr LEUNG hoped that the Administration could promote the integration of ethnic minority students into local schools when implementing integrated education.

30. Mr IP Kin-yuen urged the Administration to further increase the teacher-to-class ratio under the present proposal and to implement a salary scale for kindergarten teachers.



31. Dr Fernando CHEUNG and Dr KWOK Ka-ki criticized that the long-standing inadequate provision of subsidized undergraduate places was a result of the Administration's policy. Mr WU Chi-wai called on the Administration to expeditiously conduct a review and increase the number of subsidized undergraduate places.

32. Noting the views expressed by members, SED said that the Administration would continue to take forward its education policy along the direction outlined in the paper.

*Impact of Mainland students on the provision of undergraduate places in Hong Kong*

33. Ms Claudia MO said that even if Mainland students pursuing undergraduate programmes in Hong Kong did not receive any government subsidy, impact would still be created in terms of the number of undergraduate places available for local students. She opined that the Administration should increase the provision of undergraduate places for local students.

34. Mr LAM Cheuk-ting was also concerned that Mainland students accounted for 70% of non-local students pursuing undergraduate programmes in Hong Kong. He held that the utilization of educational resources by local students had been adversely affected as local educational resources (such as land resources for campus and hostels) were snatched by Mainland students. Mr WU Chi-wai also expressed similar concerns.

35. SED responded that on the one hand, the Administration was aware of the impact on the overall educational resources brought by non-local students pursuing undergraduate programmes in Hong Kong, but on the other hand, it was necessary for the Administration to promote the internalization of education in Hong Kong, and the admission of non-local students could also create a positive impact. According to the Administration's understanding, when considering applications for admission to local self-financing undergraduate programmes, the relevant institutions would only take into account the applicants' qualifications, and no limit had been set for the admission of local students.

Members' remarks in relation to the court's judgment on the disqualification of some LegCo Members

36. At 2:36 pm, Mr CHU Hoi-dick spoke to criticize the Government for instituting legal proceedings to disqualify a number of Members from the pro-democracy camp, in the hope of overturning the results of LegCo



elections. He queried whether FC should continue with the scrutiny of the funding proposal when a number of Members from the pro-democracy camp were being oppressed by the Government. Mr CHU claimed that if Dr YIU Chung-yim could still attend FC meetings in the capacity of a LegCo Member, he would have revealed even more inaccurate information in the Administration's funding proposals. Mr CHAN Chi-chuen expressed similar views at 4:24 pm.

37. At the Chairman's invitation, Permanent Secretary for Financial Services and the Treasury (Treasury) responded that the Administration had all along strived to provide FC with comprehensive and accurate information in its funding proposals.

38. The Chairman said that matters relating to the disqualification of LegCo Members could only be handled by the court, and they should not be muddled up with FC's operation.

#### Meeting arrangement

39. At 3:15 pm, the Chairman announced that as FC had already spent more than six hours on the discussion of the present item, and members' questions and views had obviously become repetitive, he held that the item had already been discussed fully. He directed that after all members on the waiting list had spoken, FC would proceed to the last round of speaking in which each member might speak for not more than three minutes.

40. Mr Andrew WAN spoke to criticize the Chairman's decision. The Chairman asked Mr WAN to stop speaking and not to interrupt the proceedings of FC.

#### Close of meeting

41. At 4:30 pm, the Chairman declared the meeting closed. He also directed that as all members requesting to speak had spoken for the last round, FC would, at the commencement of the next meeting, immediately deal with motions proposed by members under paragraph 37A of the Finance Committee Procedure.

42. The meeting ended at 4:30 pm.