

**Opening Remarks by
Deputy Chairman of the Public Accounts Committee,
the Hon Emily LAU Wai-hing, JP,
at the Public Hearing of the Committee
on Wednesday, 14 May 2003**

Good morning, ladies and gentlemen. The Director of Audit's Report No. 40 contains three chapters relating to the University Grants Committee (UGC) funded institutions. This morning, the Public Accounts Committee will only hold a public hearing on Chapter 10 which concerns the "Staff remuneration packages and stipends" of the UGC funded institutions, to receive evidence on the issues examined in this chapter. The Committee will hold a public hearing on Chapter 9 which concerns the "General administrative services" of the UGC funded institutions at another date. As regards Chapter 8 which concerns the "Governance, strategic planning and financial and performance reporting" of these institutions, the Committee has, for the time being, decided to seek further information from the institutions for its consideration in writing. The Committee will also hold a public hearing on this chapter as and when necessary.

I would like to draw your attention to the fact that my colleagues, Hon Eric LI (Chairman of the Committee), Dr Hon David CHU, Hon SIN Chung-kai and Hon Tommy CHEUNG, have declared interest in respect of Chapters 9 and 10.

Hon Eric LI has declared that he is a serving Member of the Court of The Hong Kong Polytechnic University. He was also a Member of the University Council from 1 April 1995 to 31 March 2001. Dr Hon David CHU has declared that he is a serving Member of the Hong Kong Baptist University Council. Hon SIN Chung-kai has declared that he is a serving Member of The Hong Kong University of Science and Technology Council. Hon Tommy CHEUNG has declared that his spouse is a member of the teaching staff of one of the UGC funded institutions. The Committee considers that it is proper for them to make the declaration because:

- (a) Hon Eric LI, Dr Hon David CHU and Hon SIN Chung-kai, being members of the governing bodies of some of the institutions, are involved in the formulation of policies by these institutions on some of the matters referred to in these two chapters; and
- (b) Hon Tommy CHEUNG's spouse is a member of the teaching staff of one of the UGC funded institutions. Matters referred to in these chapters include housing benefits for senior staff of the institutions (examined in Chapter 9), and pay structure, contract gratuity and leave benefits of staff of the institutions (examined in Chapter 10). The Member's spouse has an interest in these matters, which is of such a nature that the Member considers it necessary, in the present context, that he should be exempted from participating in the Committee's work on them.

In line with the Committee's practice, the members concerned have disclosed their personal interest in these particular chapters, so as to avoid any conflict of interest and in order that the impartiality and integrity of the Committee may be maintained. The Committee has agreed that the four members be exempted from the examination of these two chapters. They will not participate in the public hearing, nor in the discussion and compilation of the Committee's report on these chapters. Neither will they make any public comment on the issues relating to these chapters.

Today, in addition to the two Directors of Bureau and their colleagues, the UGC Secretary-General, and Heads of the eight institutions and their colleagues, the Committee has also invited the representatives of the Federation of Hong Kong Higher Education Staff Associations to appear before the Committee in response to their request for attending today's public hearing on Chapter 10.

Finally, I wish to mention that when addressing the Committee, witnesses other than Government officers are not covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382).

I now declare the Committee to be in session.