

**CITY UNIVERSITY OF HONG KONG**

**Speaking Note for the Council Chairman at the LegCo's Panel on Education -  
Meeting on the 20<sup>th</sup> October 2003**

Chairman, Honorable Members,

Thank you for giving me the opportunity to bring you up to date on the latest position with respect to the Associate Degree programmes at the University. As I explained when I met the Panel on the 30<sup>th</sup> June, the Council had established a Working Group to study the financial viability and related issues of offering self-financing AD programmes at the University. The Working Group comprises seven members and is chaired by the Treasurer of the University Mr Chung Shui-ming. Apart from the Chairman, the Working Group includes two members of Council, two representatives from the University management and two elected representatives of the College staff.

The Working Group has followed an intensive schedule of meetings, often meeting weekly, has consulted widely within the University and has just published its draft report for further consultation with the various stakeholders. The final report will be presented to the Executive Committee and the Council in November. Before discussing the views of the Working Group, I should like to give credit to the contribution of the members. Apart from working very intensively, they have each brought their various skills to bear in addressing this problem and, I understand, their discussions have been conducted in a completely open and transparent manner.

I will avoid going into too much detail since the specific views of the Working Group and its recommendations are still subject to the consultation process and possible modification. However, I will summarize their main findings.

I am pleased to say that the view of the Working Group is that the University can continue to offer high quality AD programmes through a re-structured College operating in a self-financing mode. This conclusion has been reached after a rigorous examination of the financing arrangements and the planning parameters that need to be adopted to support the development of the self-financing programmes.

Having given this positive news, I have to emphasize the scale of the problem imposed on us by the Government's decision. Currently the average unit cost of our AD programmes is around HK\$100,000 per student and the daunting task is to reduce this by over 50%.

Clearly to achieve such a transformation in the cost structure, requires a major re-structuring of the College, a significant reduction in staffing costs and a similar reduction in the academic and administrative services which support these programmes. These are the detailed issues which have been addressed by the Working Group and, as I have

stated, provided the new financial parameters are achieved, the self-financing mode of operation is viable and we can continue to offer high quality AD programmes to meet the growing need of Hong Kong for a highly educated workforce required by a knowledge-based society.

The new College will have a high degree of autonomy in both its academic and management structure and it is proposed that it will operate on its own campus. Perhaps I can pause here to emphasize that this is where we really need the support of this Panel in bringing its influence to bear on the Administration. The success of the future College crucially depends upon the allocation of a suitable site for the development of its new Campus. Ideally this should be able to accommodate the whole student body and the Working Group estimates that, for financial viability, this needs to exceed 5,000 FTEs. Sites are available and the University will be bidding for a site when the time comes. It is looking for flexibility from the Administration in terms of plot ratio etc. to enable a campus to be developed ideally to provide facilities for the whole College population.

The Working Group has pointed the way for the University to continue to support the community in providing quality education at the Associate Degree level. However, the road ahead is not an easy route to follow, particularly in the interim period when funding is progressively withdrawn, and, in view of the really difficult tasks ahead, I would repeat my previous requests made to the Panel on the 30<sup>th</sup> June. These were for the Administration to provide:

- An increase in the Government subvention for our AD programmes;
- A suitable site for the new College to house the whole AD population
- Funding for the construction of the permanent campus of the new College

In conclusion, I wish to repeat that the Working Group has studied the whole issue in great depth before publishing its draft report and that the exercise has been conducted with realism and in a spirit of cooperation. With this spirit of cooperation, I am certain that the remaining issues can be resolved through discussion and negotiation and the future of Associate Degree work at the University can prosper.