

立法會
Legislative Council

LC Paper No. CB(2)2130/05-06
(These minutes have been
seen by the Administration)

Ref : CB2/PL/ED

Panel on Education

**Minutes of special meeting
held on Thursday, 26 January 2006 at 2:30 pm
in the Chamber of the Legislative Council Building**

- Members present** : Dr Hon YEUNG Sum (Chairman)
Hon Audrey EU Yuet-mee, SC, JP (Deputy Chairman)
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHEUNG Man-kwong
Hon LEUNG Yiu-chung
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon MA Lik, GBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon Patrick LAU Sau-shing, SBS, JP
- Members attending** : Hon LEE Cheuk-yan
Hon Margaret NG
Hon Bernard CHAN, JP
Hon LEUNG Kwok-hung
Hon Ronny TONG Ka-wah, SC
- Public Officers attending** : Item I
Professor Arthur K C LI, GBS, JP
Secretary for Education and Manpower

Mr M Y CHENG
Deputy Secretary for Education and Manpower (3)

Mrs Betty IP
Principal Assistant Secretary (School Administration
and Support)

Item II

Miss Vivian LAU
Deputy Secretary for Education and Manpower (6)

Mr Martin GLASS, JP
Deputy Secretary for Financial Services and the
Treasury (Treasury) 2

Mr LI Wing
Controller, Student Financial Assistance Agency

Item III

Mr Michael V STONE, JP
Secretary-General, University Grants Committee

Miss Mary TSANG Fung-yee
Deputy Secretary General (1), University Grants Committee

Resource Persons

City University of Hong Kong

Dr Ellen KO LAW Yin-lan
Director of Human Resources

Hong Kong Baptist University

Mr Andy LEE
Vice-President (Administration) and Secretary

Mrs Karen CHAN
Director of Personnel

Prof LEUNG Mee-lee
Head, Department of Physical Education

Lingnan University

Mr LI Kam-kee
Director of Administration

Ms Rita CHAN Lai-ying
Director of Human Resources

The Chinese University of Hong Kong

Mrs Sophie LAU KWOK Lai-mui
Director of Personnel

Mr Terence CHAN Chun-wing
Bursar

Hong Kong Institute of Education

Miss Agnes TAM
Director of Human Resources

Hong Kong Polytechnic University

Mr Alan LI Yun-sum
Director of Human Resources

Hong Kong University of Science & Technology

Mrs Alice FOK
Director of Personnel

University of Hong Kong

Mr Philip LAM
Director of Finance

Ms Judy CHUNG
Acting Head, Human Resource Section

**Attendance by
invitation** : Item II

Hong Kong Professional Teachers' Union

Dr FUNG Wai-wah
Spokesman on Tertiary Education

Hong Kong Federation of Students

Mr LAI Chun-kit
Council Chairperson

Mr CHAN Ka-chun
Member of Standing Committee

Hong Kong Youth & Tertiary Students Association

Miss TSENG Kan-lee
President

Mr TSE Sheung-wai
Secretary Social Affair

Hong Kong Polytechnic University Students' Union

Mr Thomas YEUNG
President

Hong Kong Baptist University Student Union

Mr POON Lung-hoi
President

Mr LAU Ying-kit
Representative

Lingnan University Students' Union

Mr Victor TSANG Tse-wai
Acting President

Hong Kong Shue Yan College Student Union

Mr Timothy LUK Hin-yin
External Vice-President

The Student Union of the Chinese University of Hong Kong

Mr LAU Ka-lun
Student Representative

Mr LI Yiu-kee
Student Representative

City University of Hong Kong Student's Union

Mr LI Chun-fung
President

Mr SI Tsun-yin
External Affairs Secretary

Alliance for the Concern of Sub Degree Education

Mr LEE Ching
Representative

Lingnan University Student Concern Group on Associate Degree Education

Mr LEUNG Lung-wai
Representative

City University Students' Concern Group on Associate Degree Education

Mr CHENG Yiu-tung
Convenor

Mr KONG Ho-ming
Committee

Hong Kong Polytechnic University Associate Degree Concern Group

Miss LEE Sui-ling
Member

Mr TANG Kin-man
Member

The Hong Kong Institute of Education Students' Union

Mr Eddie SUNG Kwan-shek
External Vice-President

Mr LO Wai-ming

Item III

Hong Kong Professional Teachers' Union

Dr FUNG Wai-wah
Spokesman on Tertiary Education

Federation of Hong Kong Higher Education Staff Association

Mr SHUM Kar-ping
Chairman

Academic Staff Association, The University of Hong Kong

Mr CHAN Che-wai
Chairman

The Chinese University of Hong Kong Employees General Union

Miss Emily NG Hiu-chun
Chairperson

Mr TSE Kwok-kin
Vice-Chairperson

Lingnan University Staff Representatives

Mr LI Pang-kwong
Associate Professor

Mr NG Kwai-wah
Senior Research Administration Officer

Staff Association of the Chinese University of Hong Kong

Mrs Maria CHAU LAU Lai-che
Assistant Secretary

The Teachers' Association of the Chinese University of Hong Kong

Mr WONG Chong-kim
Professor

Mr WONG Chi-sum
Professor

Hong Kong University of Science and Technology Staff Association

Ms Grace LING Lai-yun
Secretary

Academic Staff Association, Hong Kong Institute of Education

Mr WONG Ping-ho
Lecturer

Dr Ina SIU Yuen-mei
Lecturer

University of Hong Kong Employees Union

Mr CHU Kee-tung
Chairman

Mr AU Po-kwong
Secretary of Administration

Hong Kong Baptist University Faculty and Staff Union

Mr TO Yiu-ming
Chairman/Assistant Professor

Ms Monica CHOW
Executive Committee Member

Staff Association of Hong Kong Baptist University

Dr CHAN Ka-lok
Vice-Chairman/Associate Professor

Mr LEE Man-cheong
Member/University Lecturer

Non-Academic Staff Association, The University of Hong Kong

Mr Stephen CHAN Chit-kwai, JP
President

Mr LEE Chun-min
Vice-President

Hong Kong Polytechnic University Staff Association

Dr Gillian HUMPHREYS
Chairman

Dr CHAN Chun-wah
Secretary

Academic Freedom & Development Research Group

Dr LEUNG Hon-chu
Co-Convenor

Dr CHAN S C
Co-Convenor

Hong Kong Baptist University “NPRS” & University
Policy Concern Group

Dr Steve PALMQUIST
Associate Professor

Ms Bonnie LAI
Programme Secretary

Hong Kong Baptist University Religion & Philosophy
Society

Miss LAU Kit-man
Chairperson

Miss LOK Yuen-ching
Representative

University Governance Concern Group

Dr Lisa LEUNG
Co-Convenor/Assistant Professor, Lingnan University

Dr HO Chi-kwan
Co-Convenor/Associate Professor, Hong Kong
Polytechnic University

Hong Kong Human Rights Monitor

Ms Cyd HO
Chairperson

Hong Kong Baptist University Religion & Philosophy Alumni

Mr SO Ming-man
Alumni Representative

Mr SUNG Chi-tak
Alumni Representative

Hong Kong Federation of Students

Mr LAI Chun-kit
Council Chairperson

Dr CHAN Shun-hing
Associate Professor, Religion and Philosophy
Department of Hong Kong Baptist University

Hong Kong Polytechnic University Students' Union

Mr Thomas YEUNG
President

Hong Kong Baptist University Student Union

Mr POON Lung-hoi
President

Mr Simon LEUNG
Councilor

Hong Kong Baptist University School of Communication – Journalism

Mr MAN Hung-sum
Journalism Student

Miss PANG Pik-shan
Journalism Student

Mr LO Wai-ming

Clerk in

: Miss Flora TAI

attendance Chief Council Secretary (2)2

Staff in attendance : Mr Stanley MA
Senior Council Secretary (2)6

Miss Sherman WOO
Legislative Assistant (2)2

Action

I. Special Provision of Capacity Enhancement Grant to Relieve Teachers' Workload

Briefing by the Administration

Secretary for Education and Manpower (SEM) briefed members on the proposed special provision of the Capacity Enhancement Grant (CEG) of \$1.65 billion for government and subvented schools for three years starting from the 2005-06 school year to further relieve teachers' workload as detailed in the Administration's paper [LC Paper No. CB(2)955/05-06(01)]. He highlighted that the special provision would enable schools to employ some 5 000 additional teachers.

Implementation

2. Members in general expressed support for the special provision of CEG of \$1.65 billion to relieve teachers' workload. Mr CHEUNG Man-kwong, Dr Fernando CHEUNG, Mr LEUNG Kwok-hung and Mr LEE Cheuk-yan considered that the proposal was made in an attempt to soothe teachers' dissatisfaction about the remark made by the Permanent Secretary for Education and Manpower (PSEM) on the recent suicides of teachers. Members in general were concerned how the Administration would ensure that the special provision would be used to employ additional staff to relieve the workload of serving teachers, instead of funding new teaching, learning and extra-curricular activities which would further increase teachers' workload.

3. SEM explained that the Administration had all along attached great importance to relieving teachers' workload in schools. The Administration had maintained close and regular dialogue with the education sector on the matter and had already agreed to look into the sector's request for increasing CEG in the end of 2005. Deputy Secretary for Education and Manpower (3) (DS(EM)3) said that in order to monitor the expenditure of the special provision of CEG, schools would be required to submit their proposals for scrutiny. The Education and Manpower Bureau (EMB) would vet the proposals and ensure that the allocations would be used to mainly employ additional teachers and supporting staff to relieve teachers' workload. EMB would also monitor the use of the

Action

allocations by schools on an on-going basis.

4. Referring to paragraphs 9 and 10 of the Administration's paper, Dr Fernando CHEUNG urged the Administration to ensure the use of the special provision to create more space for facilitating the progressive implementation of the initiatives relating to assessment for learning and coping with the diverse learning needs of students, instead of drilling students for better performance in the Territory-wide System Assessment (TSA) and school-based assessments. DS(EM)3 responded that TSA would help schools identify the areas for improvement in students' performance on the core subjects and arrange appropriate remedial measures for the students concerned.

5. Mrs Selina CHOW asked how EMB would ensure that there was consensus within each school in respect of the proposals for relieving teachers' workload submitted by the school management. DS(EM)3 replied that schools would be required to consult the teachers on the use of CEG and indicate the consultation process in the submissions.

6. Ms Audrey EU asked about the justifications for increasing the existing CEG rate by 150% for secondary schools but only 100% for primary and special schools. She also asked whether schools could use CEG to hire professional services in non-academic areas such as maintenance and accounting.

7. SEM explained that apart from the implementation of TSA, secondary schools were required to implement school-based assessment in respect of the Hong Kong Certificate of Education Examination Chinese and English Language subjects in 2007. The Administration considered it appropriate to provide for a higher percentage of the special provision of CEG for secondary schools. DS(EM)3 supplemented that schools were allowed to use CEG to hire professional services which would help reducing teachers' workload.

Redeployment of unspent education resources

8. Ms Emily LAU asked how the Administration could make available the special non-recurrent provision of \$1.65 billion within a short period for relieving teachers' workload. She asked whether EMB would also redeploy resources to support implementation of education initiatives which were widely supported by Legislative Council (LegCo) Members.

9. SEM explained that the Administration had made use of the unspent funds earmarked for other education initiatives such as the Native-speaking English Teachers Scheme, the various student financial assistance schemes, etc, to fund the special provision of CEG. He pointed out that as the availability of unspent funds and their amount would vary from year to year, it could not be used to fund items requiring recurrent provisions. Responding to the Chairman, SEM said that EMB would consider redeployment of unspent funds to support

Action

non-recurrent initiatives which were widely supported by LegCo Members.

Review on provision of CEG

10. Mr CHEUNG Man-kwong asked whether the Administration would review and continue the provision of the special provision of CEG after three years.

11. SEM explained that the purpose of CEG was to relieve teachers' workload and enhance student learning in school. In view of the favourable feedback from schools and teachers, the Administration had undertaken to continue the provision of CEG for the 2005-06 to 2007-08 school years. The special provision was proposed to further relieve teachers' workload for the same period. The Administration would monitor and evaluate the popularity and effectiveness of CEG during the period to decide the way forward. He added that in a recent opinion survey, some 28% of teachers had opined that the provision of CEG had instead increased the workload of teachers in schools.

12. The Chairman asked whether the Administration would consider providing CEG on a recurrent basis, if the outcome of its review on CEG was positive. SEM responded that the Administration would conduct the review before the end of the 2007-08 school year. Subject to the review results and the availability of resources, the Administration would consider whether the provision should become recurrent.

Long-term solution to teachers' workload

13. Mr LEE Cheuk-yan said that the education sector in general considered that the Administration should allocate resources to increase the staffing establishment in schools to relieve teachers' workload, rather than non-recurrent allocations on a temporary basis. He asked whether the Administration would consider provision of additional recurrent allocations for schools to create more room for teachers to improve quality of education. Ms Audrey EU considered that the Administration should aim to increase staff establishment of schools to relieve teachers' workload in the long term.

14. SEM replied that the Administration had reviewed the manpower needs of schools on an on-going basis, and would continue to encourage schools to make cost-effective use of manpower resources.

15. Ms Audrey EU considered that the Administration should improve the teacher-to-students ratios in primary and secondary schools to relieve teachers' workload in the long run. SEM replied that in recent years, the teacher-to-students ratios in primary schools and secondary schools had already improved from 1:22 to 1:19 and 1:19 to 1:18 respectively.

Action

Teachers' demonstration on 22 January 2006

Teachers' demand

16. Mr CHEUNG Man-kwong said that some 10 000 teachers had participated at the rally held on 22 January 2006 urging the Administration to review its policies on allocation of primary one (P1) class on the basis of a minimum enrolment of 23 students in each school year, implementation of small class teaching, increase in staff establishment of schools, and provision of paid leaves for serving teachers in pursuit of professional development. He asked how the Administration would respond to the demand of the teachers.

17. SEM responded that he had repeatedly expressed support for small class teaching. Many principals and teachers, however, considered that it would be more important to increase staff establishment and reduce the teaching load of teachers than to implement small class teaching insofar as relieving teachers' workload was concerned. With CEG, schools could hire additional manpower and organise small group teaching, learning and extra-curricular activities to enhance student learning. He cautioned that successful implementation of small class teaching depended on adoption of appropriate teaching strategies and pedagogies, and hasty implementation might create unnecessary workload and put extra pressure on serving teachers.

18. SEM further said that schools releasing their teachers to attend professional development programmes specified or arranged by EMB would be provided with supply teachers. Provision of assistance to teachers engaged in education programmes of their own choices would be considered on a case-by-case basis. He added that the policy to allocate new P1 class which had at least 23 students was formulated in the light of ensuring cost-effective use of education resources.

Transfer of PSEM

19. Mr CHEUNG Man-kwong said that there was a strong call at the rally for the transfer of the serving PSEM out of EMB. It was clear that participants of the rally did not support the serving PSEM to continue to steer the implementation of the education reform.

20. SEM responded that he did not hope that the issue would be politicised. He remarked that the serving PSEM was a civil servant and had conscientiously performed her role and functions in the implementation of education reform. SEM stressed that while the Administration would aim to achieve an appropriate balance among the interests of the key stakeholders including teachers, parents and students, the ultimate objective of education reform was to enhance students' learning and all-round development.

Action

21. Mr CHEUNG Man-kwong remarked that as PSEM had lost the support of teachers, the issue involved the interest of education. Mr LEUNG Kowk-hung considered that PSEM should offer her apologies to teachers and request for a transfer to soothe teachers' emotions and dissatisfactions. He expressed dissatisfaction about PSEM's attitude in response to some teachers' demand for her resignation. He also cited past precedents to support his view that senior civil officers should resign for policy decisions incorrectly made. SEM responded that public officers should be politically neutral, and would not be held responsible for political issues.

Way forward

22. The Chairman advised that the Administration intended to submit the proposal to the Finance Committee for consideration on 17 February 2006. Members raised no objection to the Administration's plan. The Chairman requested the Administration to respond to the concerns expressed by members. He also requested the Administration to make an interim report on the review progress to the Panel at an appropriate time. The Administration noted his requests.

II. Proposed sale and outsourcing of the funding and administration of student loans

23. Members noted the Administration's paper entitled "Sale and Outsourcing of the Funding and Administration of Loans made to Students" [LC Paper No. CB(2)955/05-06(02)] and its response to questions raised by Mr CHEUNG Man-kwong on the subject [LC Paper No. CB(2)955/05-06(03)].

Oral presentation by deputations

Hong Kong Professional Teachers' Union
[LC Paper No. CB(2)967/05-06(01)]

24. Dr FUNG Wai-wah presented the views of the Hong Kong Professional Teachers' Union. He highlighted that the Union strongly opposed the Administration's proposal to dispose of the Government's non-means-tested student loan portfolio and outsource the funding and administration of these loan schemes to financial institutions in the non-government sector (the Proposal). The Union suggested that the Administration should review the provision of financial assistance to students and the operation of existing schemes first.

Action

Hong Kong Federation of Students
[LC Paper No. CB(2)996/05-06(01)]

25. Mr CHAN Ka-chun presented the views of the Hong Kong Federation of Students as detailed in its submission. He highlighted that the Federation opposed the proposal and requested the Administration to withdraw the Proposal. The Federation considered that the Administration should give priority consideration to the interests of students on the matter.

Hong Kong Youth & Tertiary Students Association
[LC Paper No. CB(2)996/05-06(02)]

26. Miss TSANG Kan-lee presented the views of the Hong Kong Youth and Tertiary Students Association as detailed in its submission. She highlighted that the Association opposed the Proposal and requested the Administration to give priority consideration to the interests of students on the matter.

Hong Kong Polytechnic University Students' Union

27. Mr Thomas YEUNG said that the Hong Kong Polytechnic University Students' Union opposed the Proposal. He highlighted that the interests of students would be sacrificed as a result of outsourcing since the selected financial institution would operate the student financial assistance schemes on a profit-driven basis. The Union considered that the Government had an obligation to protect the interests of students, in particular the needy students, in education.

Hong Kong Baptist University Student Union

28. Mr POON Lung-hoi said that the Hong Kong Baptist University Student Union opposed the Proposal. He highlighted that the Union had conducted an opinion survey in the University, and all respondents had expressed objection to the Proposal.

Lingnan University Students' Union

29. Mr Victor TSANG said that the Lingnan University Students' Union opposed the Proposal. He expressed concern that implementation of the Proposal would result in further increases in the interest rate of student loans. He also stressed that the Government should protect the interests of students in education.

Hong Kong Shue Yan College Student Union

30. Mr Timothy LUK said that the Hong Kong Shue Yan College Student Union opposed the Proposal. He highlighted that the Union considered that the Government should invest in education and protect the interests of students.

Action

The Student Union of the Chinese University of Hong Kong

31. Mr LAU Kar-lun said that the Student Union of the Chinese University of Hong Kong opposed the Proposal. He highlighted that the selected financial institution had no obligation to protect the interests of students in education, and might appoint external agents to collect outstanding debts from students in improper ways.

City University of Hong Kong Student's Union

32. Mr LI Chun-fung said that the City University of Hong Kong Student's Union strongly opposed the Proposal. He highlighted that after outsourcing, it would be difficult for the Government to supervise and monitor the selected financial institution in the administration of student loans and collection of outstanding debts through a third party. The Union considered that the Government had an obligation to protect the interests of students in education.

Alliance for the Concern of Sub Degree Education

33. Mr LEE Ching said that the Alliance for the Concern of Sub Degree Education opposed the Proposal. He highlighted that the Government should only re-consider the feasibility of the Proposal after completing a comprehensive review of the operation of existing financial assistance schemes for students.

Lingnan University Associate Degree Concern Group

34. Mr LEUNG Lung-wai said that the Lingnan University Associate Degree Concern Group opposed the Proposal. He highlighted the financial burden of students engaged in sub-degree studies and urged the Administration to protect the interests of students in education.

City University Students' Concern Group on Associate Degree Education

35. Mr CHENG Yiu-tung and Mr KONG Ho-ming said that the City University Students' Concern Group strongly opposed the Proposal. They highlighted that the Concern Group was concerned whether the Administration could supervise and monitor the selected financial institution in the administration of student loans.

Hong Kong Polytechnic University Associate Degree Concern Group

36. Miss LEE Sui-ling said that the Hong Kong Polytechnic University Associate Degree Concern Group opposed the Proposal. She highlighted that implementation of the Proposal would result in increase of interest rates for student loans under the schemes which would add to students' financial burden.

Action

The Concern Group considered that the Administration should invest in education, review the student financial assistance schemes and shoulder the responsibility of providing financial assistance to students.

The Hong Kong Institute of Education Students' Union

37. Mr Eddie SUNG said that the Hong Kong Institute of Education Students' Union opposed the Proposal. He considered that the Administration had failed to provide reasonable response to the concerns of the Union about the administration and interest rate adjustments of student loans, and the collection of outstanding debts by the selected financial institution after outsourcing.

Mr LO Wai-ming

[LC Paper No. CB(2)996/05-06(03)]

38. Mr LO Wai-ming presented his views as detailed in his submission. He opposed the Proposal and considered that the Government should conduct a comprehensive review on the operation of the existing student financial assistance schemes before pursuing the proposal.

The Administration's response

39. In response to the views and concerns of deputations, Deputy Secretary for Education and Manpower (6) (DS(EM)6) highlighted that the Government policy was to ensure that no student was deprived of education due to lack of means. In taking forward the Proposal, the Administration would safeguard students' interest. The Administration would ensure that the Proposal would not adversely affect existing rights and obligations of the borrowers. The Administration would set out in the tender document the terms and conditions of the schemes as approved by the Finance Committee and the service standards for administering the student loans, which would form part of a legally binding agreement with the successful service provider.

40. DS(EM)6 further said that the Administration would stipulate in the tender document the existing mechanisms for determining the interest rate, the repayment period, the administrative fees, the collection of outstanding debts, and deferment of loan repayment for loans under the Non-means Tested Loan Scheme (NLS) and the Non-means Tested Loan Scheme for Post-secondary Students (NLSPS). The Administration would keep a close watch on the service provided through periodic reports and random inspections to ensure full compliance with the requirements stipulated in the tender document.

41. DS(EM)6 added that the Administration had consulted the Joint Committee on Student Finance (JCSF) which comprised prominent members of the community, staff and student representatives from University Grants Committee (UGC)-funded institutions and other relevant tertiary education

Action

institutions. Members of JCSF in general raised no objection to the Proposal. The Administration, however, would refine the Proposal in the light of the views and concerns of deputations and members expressed at the meeting, and revert to the relevant Panel for further discussion at a future meeting.

Discussion

Justifications for the Proposal

42. Mr LEE Cheuk-yan considered that the Proposal would benefit the commercial sector at the expense of students' interests. He asked whether the Administration would withdraw the Proposal. He also considered that the Administration should have reviewed the interest rate for NLS and NLSPS instead of putting forward the Proposal.

43. Deputy Secretary for Financial Services and the Treasury (Treasury) 2 (DS(FST)2) responded that he considered that some worries expressed were overstated. The Administration considered that the Proposal would not adversely affect the interests of students. He pointed out that the Government and the private sector accounted for 20% and 80% respectively of the Hong Kong economy. The Proposal was in line with the "Big Market, Small Government" principle. The Administration considered that if the private sector was interested in taking over the funding and administration of NLS and NLSPS, the Government should not compete with the private sector.

44. DS(EM)6 said that the Administration had no intention to withdraw the Proposal, but would refine the Proposal in the light of the views of members and deputations. The Administration would ensure that the terms and conditions of the schemes approved by the Finance Committee were incorporated in the tender document.

45. Mr CHEUNG Man-kwong considered it groundless to proceed with the Proposal when the Government had already achieved fiscal surplus. He suggested that given the concerns expressed by deputations, the Administration should withdraw the Proposal accordingly. He considered that the administrative costs incurred for monitoring the administration of NLS and NLSPS by the selected provider might well exceed the estimated saving of \$7 million in Student Financial Assistance Agency (SFAA). Mr LEE Cheuk-yan, Ms Emily LAU and Mr LEUNG Kwok-hung also considered that the Administration should withdraw the Proposal.

46. The Chairman said that some students were concerned about the calculation of interests during their study period under NLS and NLSPS. He considered that the Administration should complete the review on student financial assistance schemes before submitting the Proposal to the Finance Committee for consideration.

Action

47. DS(EM)6 explained that since borrowers were not required to pass the means or asset test, the two schemes operated on a no-gain-no-loss and full-cost recovery basis. Under the current terms and conditions for NLS as approved by the Finance Committee in December 1997, interests were charged during the study period. She added that the Administration would consider the views of deputations on the adequacy of financial assistance for students of sub-degree programmes in its review of the relevant student financial assistance schemes.

Regulation after outsourcing

48. The Chairman asked how the Administration would monitor the collection of outstanding debts after sale and outsourcing of the funding and administration of NLS and NLSPS.

49. DS(EM)6 responded that as at November 2005, the net loan balance of the non-means test loan schemes amounted to some \$3.4 billion, exclusive of loans in default or approved for deferred repayment. The Administration would carefully select the successful provider which should be a reputable financial institution in Hong Kong. The successful provider would have to follow the existing procedures for collection of outstanding loans set by the SFAA as specified in the tender document. She added that loan borrowers with difficulties in repaying loans might apply for deferment of loan payment in accordance with the existing procedure.

50. The Chairman pointed out that there was concern that unlike Government practice in collection of debts, the private sector would appoint agencies to collect outstanding debts.

51. DS(EM)6 responded that as at end of the 2004-05 academic year, there were some 2 500 default cases, exclusive of those who had applied for deferment of loan repayment. She explained that these cases referred to loan borrowers who had not paid two or more quarterly installments, and who had remained silent despite repeated reminders that they might approach SFAA for assistance. She stressed that these borrowers should contact SFAA in a responsible manner for an appropriate arrangement to settle their debts.

52. Ms Emily LAU remarked that as the loan amount in default had increased from \$0.27 million in 2000 to \$92.28 million in 2005 (up to September 2005), the Administration should review the operation of NLS and NLSPS in the light of the repayment ability of borrowers. She also asked about the number of successful application for deferment of loan repayment.

53. Controller, Student Financial Assistance Agency (C(SFAA)) replied that there were some 1 800 approved cases of loan deferment under NLS and NLSPS in the 2004-05 academic year. DS(EM)6 supplemented that around two-thirds

Action

of these cases were made on grounds of further education and the other one-third due to financial difficulties.

54. Mr LEE Cheuk-yan considered it difficult for the Administration to monitor and regulate the administration of NLS and NLSPS after outsourcing. DS(EM)6 responded that the Administration would enforce the tender specifications after outsourcing.

55. Ms LEUNG Kwok-hung asked how the Administration would monitor the operation of the administration of NLS and NLSPS after outsourcing to private sector. He cautioned that the Administration should consider the adverse impact of the Proposal on students. Dr Fernando CEHUNG added that unlike the Government, the selected financial institution would manage NLS and NLSPS in the interests of its shareholders, not the students.

56. C(SFAA) replied that at present, some \$27 million was incurred for the administration of NLS and NLSPS. After sale and outsourcing of the funding and administration of the student loans, SFAA would continue to administer the means-tested loans and grants to students, and loans in default or approved for deferred repayment under NLS and NLSPS. A dedicated team of staff would also be responsible for monitoring the performance of the contractor. The Administration estimated that an annual saving of about \$7 million would be achieved if the Proposal was implemented. The saving would be retained by SFAA for uses in improving the administration and operation of student financial assistance schemes managed by SFAA.

57. Mr Ronny TONG asked the Administration to provide the justifications, apart from an annual saving of some \$7 million in SFAA, for implementing the Proposal.

58. DS(FST)2 replied that apart from the \$7 million saving in SFAA, implementation of the Proposal would mean the return of \$3.4 billion to the public purse and the saving of the projected annual net payment (i.e. payments less receipts) of the schemes under the Loan Fund which would increase from some \$1.1 billion in 2005-06 to some \$1.4 billion in 2009-10.

59. DS(EM)6 supplemented that the Proposal would bring in the long-established management skills of financial institution in respect of loan processing and administration that would help improve service standards to borrowers.

60. Ms Audrey EU said that students were most concerned about the collection of outstanding debts after outsourcing. She considered that the Administration had not provided convincing justifications for the Proposal. She asked whether the Proposal was made on the ground that financial institutions were more experienced and effective in collection of debts.

Action

61. DS(EM)6 responded that the Proposal would not cover loans in default or approved for deferment of repayment which would remain to be managed by SFAA. Given the huge amount of loans involved, the selected service provider should be a reputable financial institution operating in compliance with the Code of Banking Practice jointly issued by the Hong Kong Association of Bankers and the Deposit Taking Companies Association. According to the Code of Banking Practice, financial institutions should prohibit their debt collection agencies from collecting debts by harassment or other improper means. The Hong Kong Monetary Authority had been monitoring compliance with the Code as part of its supervision of authorized banking institutions.

Motion passed

62. Dr Fernando CEHUNG moved and Mr LEUNG Yiu-chung seconded the following motion –

“本委員會反對政府將免入息審查學生貸款出售和外判予私營機構，並要求政府盡快完成檢討整個學生貸款計劃，以達至協助有需要之學生完成學業，而不至於畢業後長期負債。”

(Translation)

“That this Panel opposes the sale of the Government’s non-means-tested student loan portfolio and the outsourcing of the funding and administration of these loan schemes to the private sector, and requests that the overall review of all student loan schemes be completed expeditiously for the purpose of providing assistance to the needy students to enable them to finish their studies without having to repay debts over a prolonged period of time after graduation.”

63. The Chairman invited members to vote on the motion by a show of hands. All four members present (excluding the Chairman) voted for the motion. No member voted against the motion. The Chairman declared that the motion was passed unanimously.

III. Remuneration systems in University Grants Committee-funded institutions after deregulation of university salaries

64. Members noted the Administration’s paper on the subject [LC Paper No. CB(2)2786/03-04(01)] and the background brief prepared by the LegCo Secretariat [LC Paper No. CB(2)955/05-06(04)].

65. The Chairman declared that he was a serving staff member of the University of Hong Kong. Dr Fernando CHEUNG said that he was a graduate of the former Baptist College.

Action

Oral presentation by deputations

Hong Kong Professional Teachers' Union
[LC Paper No. CB(2)996/05-06(05)]

66. Dr FUNG Wai-wah presented the views of the Hong Kong Professional Teachers' Union as detailed in its submission. He highlighted that deregulation of university salaries had resulted in reduction of staff establishment and salaries, heavier workload and low staff morale in UGC-funded institutions. The Union suggested that a standard remuneration package for university staff should be drawn up, and requested the Hong Kong Baptist University (HKBU) Council to allow the two non-academic staff to resume their work in HKBU.

Federation of Hong Kong Higher Education Staff Associations
[LC Paper No. CB(2)996/05-06(06)]

67. Mr SHUM Kar-ping presented the views of the Federation of Hong Kong Higher Education Staff Associations (the Federation) as detailed in its submission. He highlighted the adverse effects of deregulation of university salaries in the higher education sector and urged the Administration to review its policies on the future development of higher education.

Academic Staff Association, The University of Hong Kong

68. Mr CHAN Che-wei said that the Academic Staff Association of the University of Hong Kong was concerned about the continued employment of the six staff members of HKBU who had refused to join the new pay and reward structure (NPRS). The Association also considered that UGC-funded institutions should promulgate their pay systems and salary scales.

The Chinese University of Hong Kong Employees General Union
[LC Paper No. CB(2)996/05-06(07)]

69. Miss Emily NG presented the views of the Chinese University of Hong Kong Employees General Union as detailed in its submission. She highlighted that the Union considered that UGC-funded institutions should adopt a more open and transparent governance structure, and UGC should formulate general guidelines for institutions to establish their remuneration systems. The Union also supported the views and suggestions of the Federation.

Lingnan University Staff Representatives

70. Mr LI Pang-kwong said that staff and management in Lingnan University had disputes over the interpretation of the terms and conditions of salary increment under the University's new remuneration system. He queried whether

Action

UGC-funded institutions could unilaterally change the terms and conditions of employment for serving staff without their agreement.

*Staff Association of the Chinese University of Hong Kong
[LC Paper No. CB(2)996/05-06(08)]*

71. Mrs Maria CHAU presented the views of the Staff Association of the Chinese University of Hong Kong as detailed in its submission. She highlighted that UGC-funded institutions should consult both academic and non-academic staff and formulate their new remuneration systems in an open, fair and transparent manner. The Association supported the views and suggestions of the Federation.

The Teachers' Association of the Chinese University of Hong Kong

72. Mr WONG Chi-sum said that the Teachers' Association of the Chinese University of Hong Kong supported the views and suggestions of the Federation. He highlighted that some staff with a doctorate degree in UGC-funded institutions were underpaid, and research projects conducted in UGC-funded institutions should give more emphasis on local issues.

Hong Kong University of Science and Technology Staff Association

73. Ms Grace LING said that the Hong Kong University of Science and Technology Staff Association supported the views and suggestions of the Federation. She highlighted that university councils should treat academic and non-academic staff on an equal basis, and collaborate with them in the development of UGC-funded institutions.

Academic Staff Association, Hong Kong Institute of Education

74. Mr WONG Ping-ho said that the Council of the Hong Kong Institute of Education had agreed to consult staff before its discussion of the new staffing and remuneration system. He highlighted that the Academic Staff Association, Hong Kong Institute of Education was also concerned about the implementation of NPRS in HKBU, in particular the dismissal of two non-academic staff who refused to accept the new terms and conditions under NPRS.

*University of Hong Kong Employees Union
[LC Paper No. CB(2)996/05-06(09)]*

75. Mr CHU Kee-tung presented the views of the University of Hong Kong Employees Union as detailed in its submission. Mr AU Po-kwong supplemented that UGC-funded institutions should not outsource the work of non-academic staff for the sake of reducing costs.

Action

*Staff Association of Hong Kong Baptist University
[LC Paper No. CB(2)996/05-06(11)]*

76. Dr CHAN Ka-lok and Mr LEE Man-cheong presented the views of the Staff Association of Hong Kong Baptist University as detailed in its submission. They highlighted that the Association considered that the composition and work of the HKBU Council was not representative and transparent. The Association also considered that the HKBU Council had not respected the views and concerns of staff in the formulation and implementation of NPRS.

*Non-Academic Staff Association, The University of Hong Kong
[LC Paper No. CB(2)996/05-06(12)]*

77. Mr Stephen CHAN presented the views of the Non-Academic Staff Association, the University of Hong Kong as detailed in its submission. He highlighted that deregulation of university salaries had resulted in reduction of staff and salaries as well as low staff morale. The Administration should allocate more resources for UGC-funded institutions to promote staff quality and staff morale in order to facilitate the development of higher education in the long run. The Association also supported the views and suggestions of the Federation.

*Hong Kong Polytechnic University Staff Association
[LC Paper No. CB(2)996/05-06(13)]*

78. Dr Gillian HUMPHREYS presented the views of the Hong Kong Polytechnic University Staff Association as detailed in its submission. She highlighted that deregulation of university salaries had given senior management of UGC-funded institutions a lot of pressure to reduce costs, resulting in salary cuts and low staff morale in the end. The Association questioned whether it was legal and ethical to coerce employees into consenting to a change of contract by a threat of dismissal. The Association also supported the views and suggestions of the Federation.

Academic Freedom & Development Research Group

79. Dr LEUNG Hon-chu explained the practical problems arising from the implementation of merit-based remuneration system for academic work and researches, which would jeopardise staff relationship, academic freedom and quality of teaching and research in institutions. Dr CHAN Sze-chai added that the incident at HKBU was a cause for ridicule to the higher education sector in Hong Kong.

Hong Kong Baptist University “NPRS” & University Policy Concern Group

80. Dr Steve PALMQUIST said that academic freedom was compromised when a culture of fear, discouragement and self-censorship existed in HKBU. He cited a staff survey to explain that the claim of the HKBU management that

Action

over 99% HKBU staff were supposedly willing to join NPRS was untrue. He also queried that HKBU had used unethical ways to force staff to join the new system. He requested LegCo Members to follow up the matter to protect academic freedom and uphold justice in the higher education sector.

81. Ms Bonnie LAI said that she had received a letter from the HKBU management on 30 December 2005 requesting her to confirm her agreement to the terms and conditions of NPRS on or before 7 January 2006. Otherwise, her existing service contract would be terminated with a payment of one month's salary in lieu of notice. She considered that the arrangement had reflected that NPRS was unfair to existing staff. She requested the HKBU management to allow staff members who did not accept the new remuneration package to continue/resume service under their original contracts.

Hong Kong Baptist University Faculty and Staff Union
[LC Paper No. CB(2)996/05-06(10)]

82. Mr TO Yiu-ming presented the views of the Hong Kong Baptist University Faculty and Staff Union as detailed in its submission. He highlighted that the Union requested LegCo and the Administration to review the governance structure and management culture of HKBU in a fair, open and transparent manner.

Hong Kong Baptist University Religion & Philosophy Society

83. Miss LAU Kit-mam requested the HKBU management to clarify the employment status of the six staff members who had refused to join NPRS but were allowed to continue their service in HKBU. Miss LOK Yuen-ching suggested that the HKBU management should publicise relevant financial statements and reports to justify the implementation of its cost-saving measures and improve staff assessment system by incorporating an element of student feedback in the appraisal system.

University Governance Concern Group

84. Dr Lisa LEUNG said that the dispute surrounding the implementation of NPRS at HKBU had adverse impact on staff-management cooperation and relationship as well as quality of teaching and research in HKBU. She requested HKBU to reinstate the former remuneration system. Dr HO Chi-kwan emphasised the importance of substantiation or tenure term for academics to perform teaching and research with complete autonomy and freedom. She requested members to follow up the matter in order to protect academic freedom in higher education.

Action

Hong Kong Human Rights Monitor
[LC Paper No. CB(2)996/05-06(14)]

85. Ms Cyd HO presented the views of the Hong Kong Human Rights Monitor as detailed in its submission. She highlighted that the Human Rights Monitor considered that academic freedom must be maintained in universities and should not be suppressed in the name of the need to reduce costs or ensure institutional autonomy in UGC-funded institutions. The Human Rights Monitor also requested LegCo to monitor the administration, governance and accountability of UGC-funded institutions on a continuous basis.

Hong Kong Baptist University Religion & Philosophy Alumni

86. Mr SUNG Chi-tak expressed regret that the HKBU management had adopted an unethical way to implement NPRS and had set a bad example for university management in the higher education sector. He suggested that the HKBU management should discuss with representatives from staff associations to work out feasible ways to implement NPRS.

Hong Kong Federation of Students

87. Mr LAI Chun-kit said that the Hong Kong Federation of Students considered it essential to maintain the current tenure terms for employment of academics in order to protect academic freedom in UGC-funded institutions. Dr CHAN Shun-hing highlighted the responses of HKBU staff in a questionnaire survey to illustrate that the majority of respondents were forced or had reluctantly agreed to join NPRS.

Hong Kong Polytechnic University Students' Union

88. Mr Thomas YEUNG said that the Hong Kong Polytechnic University Students' Union considered that the policy on deregulation of university salaries had in effect encouraged UGC-funded institutions to establish their own remuneration systems. However, the HKBU management had adopted an improper way to implement NPRS, which had adversely affected staff morale and quality of education. He cautioned that in designing their new remuneration systems, institutions should endeavour to ensure that academic freedom would not be affected.

Hong Kong Baptist University Student Union
[LC Paper No. CB(2)996/05-06(15)]

89. Mr POON Lung-hoi said that the Hong Kong Baptist University Student Union considered that the HKBU management had adopted an improper way to implement NPRS. The Union suggested that the HKBU Council should review the implementation of NPRS and assured staff that no staff would be dismissed for not agreeing to join the new system.

Action

Hong Kong Baptist University School of Communication - Journalism

90. Mr MAN Hung-sum said that the HKBU management should explain to students its policies and arrangements for implementing NPRS in a fair and transparent manner. Miss PANG Pik-shan added that the HKBU management should consult students on the implementation of NPRS.

Mr LO Wai-ming

[LC Paper No. CB(2)996/05-06(16)]

91. Mr LO Wai-ming presented his views as detailed in its submission. He considered that deregulation of university salaries had adverse impact on protection of academic freedom and staff morale in UGC-funded institutions. He requested members to make every endeavour to protect academic freedom.

The UGC's response

92. In response to the views of the deputations, Secretary-General (SG), UGC made the following points –

- (a) Deregulation of university salaries was implemented as one of the recommendations arising from the Higher Education Review to enhance flexibility in the administration of UGC-funded institutions and to enable institutions to flourish in their areas of endeavours. In addition, institutions were encouraged to conduct fit for purpose reviews of their governance structure with a view to enhancing management effectiveness;
- (b) UGC had encouraged and assisted institutions to diversify their funding sources. In particular, the Administration had implemented a matching grant scheme to encourage institutions to solicit more private donations;
- (c) UGC-funded institutions were autonomous entities governed by their respective statutes and councils, and were subject to public scrutiny in respect of the quality of their teaching and research activities as well as in resources management. In line with the principle of institutional autonomy, UGC considered it inappropriate to interfere with the internal administration and staff management issues in individual institutions. UGC respected institutions' decisions to introduce changes to their remuneration systems at their own pace. UGC was also aware that all institutions had grievances and appeal mechanisms in place to handle complaints about staff management issues;

Action

- (d) Implementation of reasonable changes in pay and remuneration systems in UGC-funded institutions such as the introduction of NPRS in HKBU should not have any bearing on academic freedom;
- (e) Academics would join or leave institutions on personal reasons. There was no evidence that deregulation of university salaries had negative impact on the ability of institutions to attract quality academics. Institutions had discretion to employ staff in contract or tenure terms to suit individual needs and circumstances;
- (f) Given the fiscal deficits in the last few years, all Government bureaux and departments as well as the subvention sector had experienced funding cuts; and
- (g) Both teaching and research were important, and should co-exist in UGC-funded institutions on an equal basis. There were mechanisms in place, such as the implementation of the performance-based funding mechanism in the UGC sector, to enhance the quality of teaching and research in institutions.

The HKBU's response

93. Mr Andy LEE, Vice-President (Administration) and Secretary of HKBU, explained the background, beliefs and justifications for the implementation of NPRS in HKBU as detailed in its submission [LC Paper No. CB(2)996/05-06(04)]. He highlighted that to cope with the funding cut, HKBU had chosen a difficult path of introducing a more flexible and effective remuneration system for both new staff and serving staff in the interest of the long-term growth and development of HKBU. In the course of implementing the new system, the HKBU Council had requested all new and serving academic and non-academic staff, be they employed on substantiated, open-end or contract terms, to collaborate with the HKBU management to face the challenges together.

94. Mr Andy LEE of HKBU stressed that the objective of the reform in the HKBU's pay and remuneration structure was threefold, namely, to enhance flexibility and effectiveness in resources management, to strengthen the linkage between performance and reward, and to enhance recognition of staff contributions and performance, enabling them to develop their career prospect. The HKBU Council had established a Steering Committee comprising staff representatives to discuss the features and terms of the new system. The Steering Committee had established an academic staff working group and a non-academic staff working group to collect views and respond to staff concerns.

Action

95. Mr Andy LEE of HKBU added that in the interest of maintaining harmony within HKBU, the HKBU Council had held a special meeting on 23 January 2006 during which it decided to adjourn the operation of the committee which was set up to consider conclusion of the appointment of the six academic staff members who had not consented to join the NPRS. In this connection, he added that like all other staff members who had joined NPRS, the six staff members would have to accept a variation in HKBU's contribution to their superannuation fund scheme within a range of 10-15% (when there was a budget cut situation and subject to HKBU Council's approval). The six academic staff members would maintain their existing substantiation status, salary levels and benefits (except the potential 5% reduction of employers' contribution).

96. Professor LEUNG Mee-lee said that she would interpret the meaning of academic freedom as the freedom of academics to express their views, ideas or theories in their professional pursuits in or outside classrooms without any external interference. She highlighted that she enjoyed such freedom before and after the implementation of NPRS. While she appreciated that some peer academics had their reasons to refuse to join NPRS, she considered that the implementation of NPRS had no implications on the freedom of academics to express their views and ideas. She added that the performance of a superior in HKBU had all along been subject to the comments of his subordinates as well as students.

Formulation and implementation of NPRS in HKBU

97. Mr CHEUNG Man-kwong considered it shameful that the President of HKBU had said that the HKBU Council was satisfied that over 99.6% staff had signed up to join NPRS, ignoring the fact that staff were forced to do so for fear of being dismissed. He asked why UGC would consider the use of such an unethical way to force staff to join NPRS acceptable.

98. SG(UGC) responded that one definition of academic freedom was that academic freedom gave members of the academic community the right to conduct and participate in educational activities without arbitrary interference from state authorities or private individuals or groups including popular political, religious or other social movements. He considered it natural that HKBU would have to review and formulate a new pay and remuneration system in anticipation of possible budget cuts in the current triennium. As the implementation of NPRS in HKBU did not entail any reduction of staff salaries, including those of the six staff members who had been allowed to continue service with the respective contracts, he saw no reason to say that the implementation of NPRS had affected academic freedom in HKBU.

99. Mr CHEUNG Man-kwong said that the President of HKBU should be aware that staff of HKBU had suffered from the uncertainties of their future employment during the course of the development of NPRS in the past two and a

Action

half years. He asked how NPRS had been formulated and about the changes in terms and conditions of employment under NPRS for academic and non-academic staff.

100. Mrs Karen CHAN, Personnel Director of HKBU, described how NPRS was formulated with the participation of existing and new staff in the consultation and development processes. She stressed that the design and development of NPRS had taken into account the need to balance the interests of new and serving staff, as well as to maintain the competitiveness of HKBU's remuneration package with those of comparable jobs in the local and international markets

101. Mr CHEUNG Man-kwong asked whether the HKBU Council had considered applying a 5% reduction of staff salaries across-the-board. He also pointed out that with the economic recovery and the estimated \$6 billion of unspent funds in education, it was very likely that there would be no further reduction of recurrent funding for UGC-funded institutions in the 2005-08 triennium.

102. Mrs Karen CHAN of HKBU said that before she would respond to Mr CHEUNG's question, she would like to point out that Dr CHAN Ka-lok's presented information on the composition of the Personnel Committee of HKBU Council was incorrect. She then responded to Mr CHEUNG's question that different views and suggestions were received in the consultation process. Although some considered that a uniform salary reduction might be fair to all, others considered that a uniform reduction could be unfair to those who were already receiving a salary below those of comparable jobs in the market. The HKBU Council considered that the adoption of a uniform salary reduction for all staff grades would not be beneficial to the competitiveness of the remuneration packages of individual jobs in comparison with similar jobs in the local and international markets in the long term. Nevertheless, the HKBU Council had built in a flexibility of uniform reduction in superannuation benefits in NPRS in that the University could vary the University's contribution to superannuation fund within a range of a 10-15%, in the event of future funding cut by the Government and subject to the approval of the HKBU Council.

103. Mr LEE Cheuk-yan considered that the HKBU Council should respect the spirit of contract and provide staff with a choice to join NPRS or not. He asked whether the HKBU management would let the two non-academic staff to resume office. He stressed that the HKBU Council should respect the spirit of employment contract and should not unilaterally change the terms and conditions of employment.

104. Mr Andy LEE of HKBU reiterated that NPRS was formulated and implemented after extensive consultation, and staff were given an opportunity to confirm their agreement to the terms and conditions under NPRS. As for the two

Action

non-academic staff members, he pointed out that the heads of department and faculty concerned had held long discussions with them after they had missed the deadline for indicating their agreement to join NPRS. Unfortunately, the two non-academic staff members had decided to leave the service despite re-engagement was offered to them.

105. Mr LEUNG Kwok-hung expressed sympathy for the non-academic staff members who were helpless and forced to accept NPRS. He considered it irrational and unethical for HKBU to unilaterally change the terms and conditions of contracts. He considered that the HKBU Council had set a very bad example in resolving conflicts between staff and management arising as a result of funding cuts for UGC-funded institutions. Ms Emily LAU suggested that the HKBU Council should adopt a fair, open and transparent mechanism to resolve the prevailing conflicts between staff and management arising from the implementation of NPRS.

106. Mr MA Lik, however, considered that the HKBU Council had done a lot of good work to implement the reform in pay and remuneration structure, and to balance the interests of new and serving staff in the implementation of NPRS. He suggested that the HKBU management should continue to listen to the views of staff and explain to them the need to change the terms and conditions of employment under NPRS. He asked how NPRS had adversely affected the terms and conditions of employment of the six academic staff members, as opposed to the old system.

107. Professor LEUNG Mee-lee of HKBU responded that academic staff who had opted for NPRS did not suffer any loss in salaries. In fact, some might obtain a salary increment under NPRS. Mr Andy LEE of HKBU supplemented that the only impact of NPRS on the six staff concerned was the potential reduction of employer's contribution to superannuation fund scheme in the future when there was a budget cut situation and subject to the HKBU Council's approval.

108. Ms Bonnie LAI said that non-academic staff were worried about possible salary reduction and changes in terms and conditions under NPRS after three years. They considered it unfair that the HKBU Council had required staff to agree to a potential 0-5% reduction in employers' contribution to the superannuation fund scheme under NPRS. She considered that staff should be provided with a clear picture of the changes in terms and conditions of employment under NPRS.

Institutional governance

109. Ms Emily LAU said that she supported that institutions should enjoy a high degree of autonomy and respected the role and function of university councils in resources and staff management. She, however, expressed

Action

disappointment over the series of disputes between staff and management in UGC-funded institutions which had been discussed at Panel meetings in the past. She considered that UGC should review the governance and staff administration matters in UGC-funded institutions, in particular the operation and effectiveness of the grievances and appeal mechanisms in place.

110. Ms Emily LAU considered that the HKBU Council should avoid the existence of any conflict of interest in resources and staff management issues. She considered it inappropriate that the HKBU Council had appointed a law firm as its legal consultant as the Chairman of the HKBU Council was the major partner of that law firm.

111. Mr Andy LEE of HKBU explained that the HKBU Council had appointed the existing legal consultant long before the appointment of Mr Moses CHENG as the Chairman of the HKBU Council. In fact, Mr CHENG had made proper declaration before taking up the appointment. Referring to an allegation made by a deputation, he clarified that he was not a member of the HKBU Council when he was recruited for the post of Vice-President (Administration) and Secretary. Ms Emily LAU remarked that the HKBU Council should appoint an independent body to investigate the allegations raised by the deputations at the meeting and to report its findings in an open manner.

112. Dr Fernando CHEUNG also cited a number of controversial issues surrounding UGC-funded institutions such as the appointment of the legal consultant of HKBU, forcing staff to join NPRS by a threat of dismissal, etc to illustrate the confusion in management of some UGC-funded institutions. He expressed deep regret over the lack of openness, fairness and transparency in institutional governance.

113. Miss Margaret NG said that apart from misconduct, academics on tenure could only be dismissed with good causes. She asked whether HKBU considered disagreement to the implementation of NPRS a good cause for dismissal of academics on tenure.

114. Mr Andy LEE of HKBU replied that the substantive status of academics would not be affected under NPRS. In general, employment of academics on substantiation terms would continue until they reached the contractual retirement age. However, there were specific conditions for termination of contract under substantiation terms. The HKBU Council had consulted legal advice on the matter and ensured that proper procedures for dismissal of staff on substantiation terms were followed and a special committee would examine whether there was a good cause for such dismissal, following the established procedures.

115. The Chairman remarked that making a decision in compliance with proper procedure did not necessarily mean that the decision made was correct.

Action

Follow-up action by the HKBU Council

116. The Chairman asked whether the HKBU Council would continue to consult staff on the implementation of NPRS and consider allowing the two non-academic staff members who had refused to join NPRS and leave the service to resume office on terms and conditions similar to the offer given to the six academic staff who refused to join NPRS.

117. Mr Andy LEE of HKBU replied that the HKBU management would continue to communicate with staff on the implementation of NPRS. As regards the two staff members who had left their service because of their disagreement to join NPRS, HKBU management would consider contacting them.

Motion passed

118. Dr Fernando CHEUNG moved the following motion –

“本委員會促請政府盡快就大學管治問題作獨立檢討，並制訂政策以改善大學管治的透明度和保障學術自由。本委員會亦呼籲香港浸會大學讓兩位因不同意加入新制而被解僱的職員立刻復職，並讓所有浸大教職員在不受威嚇的情況下重新選擇是否加入新制。”

(Translation)

“That this Panel urges the Government to expeditiously conduct an independent review of the governance of universities, and to formulate a policy which aims to enhance transparency of the university governance and safeguard academic freedom; moreover, this Panel also calls upon the HKBU to immediately reinstate two staff members who were dismissed for refusing to opt for the new remuneration system, and to allow all staff members of HKBU to re-opt without any intimidation to join the new system or otherwise.”

119. The Chairman ordered to vote on the motion by a show of hands. Three members present (excluding the Chairman) voted for the motion. No member had voted against the motion. The Chairman declared that the motion was passed.

IV. Any other business

Item for discussion at the meetings on 13 February and 27 March 2006

120. Members noted that the Administration had proposed to discuss the consultation document entitled “Action for the Future - Further Consultation on Career-oriented Studies and the New Senior Secondary Academic Structure for

Action

Special Schools” at the meeting on 13 February 2006, and to defer discussion of the item on “Review of the Post-secondary Education Sector” to the meeting to be held on 27 March 2006. Members agreed to the Administration’s proposal.

121. There being no other business, the meeting ended at 7:50 pm.

Council Business Division 2
Legislative Council Secretariat
24 May 2006