

**立法會**  
**Legislative Council**

LC Paper No. CB(2)1879/05-06  
(These minutes have been  
seen by the Administration)

Ref : CB2/PL/ED

**Panel on Education**

**Minutes of meeting**  
**held on Monday, 27 March 2006 at 8:30 am**  
**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 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 TAM Heung-man
- Member absent** : Hon MA Lik, GBS, JP
- Public Officers attending** : Item IV  
Mrs Fanny LAW, GBS, JP  
Permanent Secretary for Education and Manpower  
Mr Edward YAU, JP  
Deputy Secretary for Education and Manpower (1)

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

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

Mr Peter CHEUNG  
Executive Director  
Hong Kong Council for Academic Accreditation

Mr LI Wing  
Controller, Student Financial Assistance Agency

Miss Charmaine LEE  
Principal Assistant Secretary for Education and  
Manpower (Higher Education)

*Resource Person*

Joint Quality Review Committee

Prof Philip YEUNG  
Chairman

City University of Hong Kong

Ms Jennifer NG  
Principal, Community College

Ms Wanda LAU  
Vice Principal (Academic), Community College

Hong Kong Baptist University

Dr Simon WONG  
Dean of School of Continuing Education

Dr Ella CHAN  
Associate Dean and Head of College of International  
Education, School of Continuing Education

Lingnan University

Dr LO Lai-yee  
Director of The Community College

The Chinese University of Hong Kong

Prof Billy SO  
Chairman, University Extension Board

Hong Kong Institute of Education

Dr Edwin WONG King-por  
Head of Division of Continuing Professional Education

Prof Phil MOORE  
Associate Vice-President (Curriculum & Quality Assurance)

Hong Kong Polytechnic University

Dr Simon LEUNG  
Director, Hong Kong Community College

Dr Dennis CHAN  
Director, School of Professional Education and  
Executive Development

Hong Kong University of Science & Technology

Prof Nelson CUE  
Director, College of Lifelong Learning

University of Hong Kong

Prof E C M YOUNG  
Director, School of Professional and Continuing Education

**Attendance by invitation** : Item IV

Hong Kong Professional Teachers' Union

Dr FUNG Wai-wah  
Spokesman on Tertiary Education

Hong Kong College of Technology

Dr CHAN Cheuk-hay  
President & Principal

Ms Janet SZETO  
Vice President (College Development)

Hong Kong Teachers' Association

Mr CHAN Sing-lai  
Deputy General Treasurer

Mr WONG Shu-sing  
Chairman, Post-secondary & U Group

Caritas – Hong Kong

Mr Peter LEE  
Director, Education Services

Dr LIU Ping-cheung  
College President

Hang Seng School of Commerce

Dr CHUI Hong-sheung  
President

Hong Kong Federation of Students

Mr Thomas YEUNG  
Chairperson Standing Committee

Mr LAU Ying-kit  
Executive Officer

Hong Kong Youth & Tertiary Students Association

Miss Hilda CHEUNG  
Committee Member

Mr CHOW Wai-keung  
Committee Member

The Student Union of the Chinese University of Hong Kong

Mr LI Yiu-kee  
External Vice-President

Miss TSE Tsz-ying  
Student Representative

Hong Kong Polytechnic University Students' Union

Mr NG Yin-ngai  
President

Mr CHOW Chun-chiu  
External Vice-President

Hong Kong Community College Students' Union

Mr FONG Tat-yin  
Chairman

Mr LEUNG Yu-hin  
External Vice-Chairman

Hong Kong Shue Yan College Student Union

Mr Timothy LUK Hin-yin  
External Vice-President

Lingnan University Students' Union

Mr Green LEE Ching  
External Vice-President

Hong Kong University of Science & Technology  
Students' Union

Mr PANG Ka-ho  
External Vice-President

The Hong Kong Institute of Education Students' Union

Mr Victor AU Kin-ho  
Students' Union President

Miss LEUNG Chi-yan  
Students' Union External Vice President

City University of Hong Kong Student's Union

Mr WAN Wing-fai  
External Vice-President

Mr SI Tsun-yin  
External Officer

Alliance for the concern of sub-degree education

Miss CHAN Hoi-chi  
Representative

Mr KONG Ho-ming  
Representative

Lingnan University Students' 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

Students' Concern Group on Associate Degree Education of Hong Kong Baptist University Student Union

Mr LEUNG Kam-wai  
Committee

Mr LEUNG Man-kwong  
Committee

Hong Kong Polytechnic University on Associate Degree Education Concern Group

Miss Anne LO Man-chi  
Representative

Mr LO Wai-ming

**Clerk in attendance** : Miss Odelia LEUNG  
Chief Council Secretary (2)6

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

Ms Sandy HAU  
Legislative Assistant (2)6

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**I. Confirmation of minutes**

[LC Paper No. CB(2)1456/05-06]

The minutes of the meeting held on 13 February 2006 were confirmed.

**II. Information paper(s) issued since the last meeting**

2. Members noted that no paper had been issued since the last meeting.

**III. Items for discussion at the next meeting**

[Appendices I and II to LC Paper No. CB(2)1455/05-06]

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 10 April 2006 at 4:30 pm –

(a) Review of the school-based professional support programme, Education Development Fund; and

(b) Kindergarten subsidy and fee remission.

**IV. Review of Post-secondary Education Sector**

[LC Paper Nos. CB(2)1449/05-06(01), CB(2)1455/05-06(01) and (02)]

4. Members noted the Administration's paper on the subject and the background brief entitled "Provision of sub-degree places for secondary school leavers" prepared by the Legislative Council (LegCo) Secretariat.

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Oral presentation by deputations

*Hong Kong Professional Teachers' Union*  
*[LC Paper No. CB(2)1531/05-06(01)]*

5. Dr FUNG Wai-wah presented the views of Hong Kong Professional Teachers' Union as detailed in its submission. He highlighted that the Union welcomed the conduct of the review of post-secondary education sector (the Review) by the Administration, but was disappointed that the Review had not reflected the problems arising from the rapid expansion of the sub-degree education sector, in particular the over-supply of post-secondary places leading to unhealthy competition among providers and deterioration in the quality of sub-degree programmes. The Union suggested that the Administration should maintain the supply of sub-degree places at the current level; increase resources allocation to enhance the development and quality of sub-degree education; extend the repayment period for start-up loans from 10 to 20 years; standardise the Financial Assistance Scheme for Post-secondary Students (FASP) for students of self-financing sub-degree programmes and the Local Student Finance Scheme (LSFS) for students of publicly-funded programmes; and increase articulation places for sub-degree holders. The Union also appealed to tertiary institutions to point out the problems in the sub-degree sector to the Administration with a view to enhancing the development and quality of the sub-degree education in the long term.

*Hong Kong College of Technology*  
*[LC Paper No. CB(2)1546/05-06(02)]*

6. Dr CHAN Cheuk-hay presented the views of Hong Kong College of Technology as detailed in its submission. He highlighted that the Administration should maintain the quality and diversity of sub-degree programmes; ensure the development of student-oriented sub-degree education; provide sufficient further education opportunities including senior year articulation places in undergraduate programmes offered by University Grants Committee (UGC)-funded institutions for sub-degree programme graduates, and rectify the disparity in financial assistance offered to degree and sub-degree holders.

*Hong Kong Teachers' Association*  
*[LC Paper No. CB(2)1531/05-06(02)]*

7. Mr WONG Shu-sing presented the views of Hong Kong Teachers Association as detailed in its submission. He highlighted that the Association supported the provision of more sub-degree places for senior secondary school leavers; improvements to FASP for sub-degree students; diversification of sub-degree programmes; role differentiation and collaboration among institutions in the provision of sub-degree education; and enhancement of the quality assurance mechanism for sub-degree programmes. The Association also



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suggested that institutions should offer more sub-degree programmes for secondary school leavers who were interested in career-oriented or vocational studies.

*Caritas – Hong Kong*

*[LC Paper Nos. CB(2)1488/05-06(01) and CB(2)1546/05-06(03)]*

8. Dr LIU Ping-cheung presented the views of Caritas – Hong Kong as detailed in the two submissions. He highlighted that Caritas supported the reform in the provision of post-secondary education and the establishment of a credit transfer mechanism to enable students to have access to a wider range of study programmes in different institutions. Caritas called on the Administration to standardise the accreditation of sub-degree programmes; improve financial assistance to private post-secondary service providers; support the development of private universities with a view to enhancing healthy competition in the provision of higher education; and provide sufficient start-up loans and land grants to providers to facilitate the development of private universities in the long run. He added that the Administration should consider extending the repayment period for start-up loans for service providers from 10 to 20 years.

*Hang Seng School of Commerce*

*[LC Paper No. CB(2)1518/05-06(01)]*

9. Dr CHUI Hong-sheung presented the views of Hang Seng School of Commerce as detailed in its submission. He highlighted that the School considered that subject to effective quality assurance, the policy target of providing tertiary education to senior secondary school leavers could be higher than 60%. The School suggested that the Administration should ensure a level playing field for providers in programme accreditation and allocation of resources including land grants; improve financial assistance to sub-degree students; increase articulation places for sub-degree holders; and allocate additional resources to enhance the quality of sub-degree programmes.

*Hong Kong Federation of Students*

*[LC Paper No. CB(2)1546/05-06(04)]*

10. Mr Thomas YEUNG presented the views of Hong Kong Federation of Students as detailed in its submission. He highlighted that the Administration should increase the number of articulation places in UGC-funded institutions to ensure that qualified sub-degree holders could have access to university education. The Federation supported diversification of sub-degree education and considered that the provision of sub-degree programmes should not be led by the market. The Federation also considered that the policy to allocate education resources to students direct, or in the form of an education voucher system, might not be conducive to diversification of sub-degree programmes, and requested the Administration to clarify its policy direction in this regard.

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*Hong Kong Youth and Tertiary Students Association*  
[LC Paper No. CB(2)1546/05-06(05)]

11. Mr CHOW Wai-keung presented the views of Hong Kong Youth and Tertiary Students Association as detailed in its submission. The Association suggested that the Administration should standardise the provision of financial assistance to degree and sub-degree students; increase the provision of articulation places in UGC-funded institutions expeditiously; formulate quality assurance standards for sub-degree programmes; and take the lead in providing sub-degree programme students with training/placement opportunities.

*The Student Union of the Chinese University of Hong Kong*  
[LC Paper No. CB(2)1572/05-06(01)]

12. Mr LI Yiu-kee presented the views of the Student Union of the Chinese University of Hong Kong as detailed in its submission. He highlighted that the Administration should develop a fair and consistent qualification framework for tertiary education and enhance the recognition of sub-degree qualification for employment purpose. The Union considered that the Administration should allocate additional resources to ensure the quality of sub-degree programmes and provide sufficient articulation places for sub-degree holders to pursue university education.

*Hong Kong Polytechnic University Students' Union*  
[LC Paper No. CB(2)1546/05-06(06)]

13. Mr NG Yin-ngai presented the views of Hong Kong Polytechnic University Students' Union as detailed in its submission. He highlighted that the Union welcomed the proposal to bring the means-tested grant under FASP on par with that of LSFS with effect from the 2006/07 academic year. The Union considered that the financial assistance provided to students of sub-degree self-financing programmes and students of publicly-funded programmes should be the same. The Union suggested that the Administration should freeze the supply of sub-degree places at the current level; improve the quality assurance mechanism; and devise a timetable to increase the number of articulation places in UGC-funded institutions.

*Hong Kong Community College Students' Union*

14. Mr FONG Tat-yin said that Hong Kong Community College Students' Union suggested that the Administration should standardise the provision of financial assistance to degree and sub-degree students; increase the number of articulation places in UGC-funded institutions; enhance the quality assurance mechanism for sub-degree education; and promote the recognition of sub-degree qualification for employment purpose.

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*Hong Kong Shue Yan College Student Union*

15. Mr Timothy LUK said that Hong Kong Shue Yan College Student Union requested the Administration to clarify whether the student financial assistance scheme for sub-degree students, including the provision of grant for living expenses, would be further improved. The Union was also concerned about the financial burden on sub-degree students with the proposal to increase the maximum loan ceiling under FASP.

*Lingnan University Students' Union*  
[LC Paper No. CB(2)1546/05-06(07)]

16. Mr Green LEE presented the views of Lingnan University Students' Union as detailed in its submission. He highlighted that the Union requested the Administration to increase articulation places for sub-degree holders, and enhance the quality assurance mechanism and support measures for the sub-degree sector. The Union strongly urged the Administration to merge FASP and LSFS to provide fair and consistent financial assistance to students of publicly-funded sub-degree programmes and students of self-financing sub-degree programmes alike.

*Hong Kong University of Science and Technology Students' Union*  
[LC Paper No. CB(2)1546/05-06(08)]

17. Mr PANG Ka-ho presented the views of Hong Kong University of Science and Technology Students' Union as detailed in its submission. He highlighted that the Union requested the Administration to maintain the current policy target of providing tertiary education to 60% of secondary school leavers; allocate additional resources to enhance the quality of sub-degree programmes; and provide more articulation pathways for sub-degree holders to pursue further education.

*The Hong Kong Institute of Education Students' Union*  
[LC Paper No. CB(2)1546/05-06(09)]

18. Mr Victor AU presented the views of the Hong Kong Institute of Education Students' Union as detailed in its submission. He highlighted that the Union considered that instead of raising the policy target of a participation rate to 80%, the Administration should put more emphasis on consolidation of the strengths built up in the sub-degree sector, development of articulation pathways, and quality enhancement at all levels. The Union also suggested that the Administration should relax the eligibility criteria for means-tested grants; provide scholarship to needy students; and increase the diversity of articulation programmes for sub-degree holders.

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*City University of Hong Kong Student's Union*  
*[LC Paper No. CB(2)1590/05-06(01)]*

19. Mr WAN Wing-fai presented the views of City University of Hong Kong Student's Union as detailed in its submission. He highlighted that the Union called on the Administration to formulate the enrolment requirements and exit qualifications of sub-degree programmes, and the articulation pathways for sub-degree holders. Instead of aiming at a participation rate of 80%, the Administration should endeavour to enhance the quality and recognition of sub-degree programmes, in particular for appointment to civil service posts. Furthermore, the Administration should provide sufficient start-up loans and land grants for providers to upgrade their college premises and facilities to enhance student learning. He added that the increase of articulation places for sub-degree holders should not affect the provision of first-year-first-degree (FYFD) places for students attending the Hong Kong Advanced Level Examination (HKALE).

*Alliance for the Concern of Sub-degree Education*  
*[LC Paper No. CB(2)1546/05-06(10)]*

20. Miss CHAN Hoi-chi and Mr KONG Hoi-ming presented the views of the Alliance for the Concern of Sub-degree Education as detailed in its submission. She highlighted that the Alliance considered it unfair to provide different financial assistance schemes for students of self-financing sub-degree programmes and students of publicly-funded sub-degree programmes. The Alliance suggested that the Administration should merge the two schemes into one scheme applicable to all post-secondary students. The Alliance also suggested that the Administration should increase the provision of senior year articulation places in undergraduate programmes for sub-degree programme graduates.

*Lingnan University Students' Concern Group on Associate Degree Education*

21. Mr LEUNG Lung-wai said that the Administration should enhance the quality of sub-degree education instead of aiming at a higher participation rate of 80%. He considered that to achieve the objective of enhancing lifelong learning, the Administration should standardise the financial provisions under FASP and LSFS to ensure fairness to students of self-financing and of publicly-funded sub-degree programmes. He added that the Administration should also increase the number of articulation places in UGC-funded institutions for sub-degree holders.

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*City University Students' Concern Group on Associate Degree Education  
[LC Paper No. CB(2)1572/05-06(02)]*

22. Mr CHENG Yiu-tung said that he noted with concern the remark of the Secretary for Education and Manpower (SEM) that the Administration would aim to achieve a participation rate of 80% in the provision of tertiary education for secondary school leavers. He pointed out that the supply of sub-degree and degree programme places in the 2005-06 academic year was about 50 000, while the number of secondary five (S5) leavers who were qualified for entry to S6 was only 48 000. He considered that further increase in the supply of sub-degree places would compromise the quality of sub-degree education. He urged the Administration to follow the recommendation of the Steering Committee established to oversee the Review that more emphasis should now be placed on quality assurance and development of articulation pathways.

*Students' Concern Group on Associate Degree Education of Hong Kong Baptist University Student Union*

23. Mr LEUNG Man-kwong said that the Concern Group called on the Administration to review the role of UGC and encourage UGC-funded institutions to provide self-financing sub-degree programme students with access to university accommodation and facilities. The Administration should assist non-UGC-funded institutions in the establishment of common facilities for shared use by their students. He also urged the Administration to take the lead in recognising sub-degree qualification for employment purpose.

*Hong Kong Polytechnic University on Associate Degree Education Concern Group  
[LC Paper No. CB(2)1546/05-06(11)]*

24. Miss Anne LO presented the views of Hong Kong Polytechnic University on Associate Degree Education Concern Group as detailed in its submission. She highlighted that the Administration should increase articulation places in UGC-funded institutions to cater for the need of sub-degree students to pursue university education. She added that the increase in articulation places should not affect the provision of FYFD places for students taking part in HKALE.

*Mr LO Wai-ming  
[LC Paper No. CB(2)1546/05-06(12)]*

25. Mr LO Wai-ming presented his views as detailed in his submission. He highlighted that the Administration should review the provision of financial assistance to students in the sub-degree sector with a view to eliminating any discrimination against students of self-financing sub-degree programmes. He also said that there should be a comprehensive review on the non-means-tested loan scheme, including reducing the interest rate and extending the repayment period.

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The Administration's response

26. Summarising the major points of the depositions, the Chairman said that the Administration should standardise the provision of financial assistance to degree students and sub-degree students; increase the provision of articulation places; provide sufficient start-up loans and land grants to providers; and enhance quality assurance of sub-degree programmes.

27. In response, Permanent Secretary for Education and Manpower (PSEM) said that she was glad that the depositions, including students and course providers, had in general affirmed the benefits of the policy to expand the post-secondary education sector. She pointed out the following –

- (a) In the 2004-05 academic year, about 1 245 of around 7 000 self-financing sub-degree programme graduates had enrolled into senior year places of UGC-funded undergraduate programmes. Counting undergraduate programmes as a whole, some 2 540 sub-degree holders had been admitted to various undergraduate programmes offered by UGC-funded institutions.
- (b) The policy commitment to enable 60% senior secondary school leavers to have access to tertiary education was put forward by the then Chief Executive in 2000, when the economic conditions in Hong Kong were unfavourable. The existing financial assistance schemes for sub-degree students represented what was considered to be affordable at the time. The Administration had undertaken to plough back the savings from withdrawal of subvention for sub-degree programmes provided by UGC-funded institutions into the sub-degree sector, and now proposed to bring the means-tested grant under FASP on par with that of LSFS with effect from the 2006-07 academic year. The table in paragraph 40 of the Administration's paper provided an estimate of the additional expenditure involved in the 2006-07 and 2010-11 academic years respectively. The proposed increase of the ceiling for non-means-tested loan was intended to cover academic expenses, in addition to living expenses and tuition fees, not covered by the grants. In response to the criticism that the Administration created a heavier loan burden on students, PSEM said that students should only borrow according to need.
- (c) The Administration acknowledged a difference in the quality assurance mechanism for programmes run by self-accrediting institutions and non-self-accrediting institutions. Under the current system, full-time programmes of self-accrediting institutions were subject to their own internal quality assurance

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mechanism, while non-self-accrediting institutions had to present their programmes to an external agency recognized by the Government for validation, such as the Hong Kong Council for Academic Accreditation (HKCAA). The Administration had all along stressed that quality assurance was crucial to the long-term development of the sub-degree sector. The Administration welcomed the recent formation of the Joint Quality Review Committee (JQRC) to oversee the self-financing programmes of UGC-funded institutions at the sub-degree level. The Administration urged students who were not satisfied with the quality of a sub-degree programme to report to the Education and Manpower Bureau.

- (d) Subject to competing priorities and the support of relevant bureaux and departments, EMB would consider allocating vacated school premises to providers to alleviate the burden of repayment of the start-up loan.
- (e) In response to the criticism that quality was subservient to quantity, PSEM clarified that, in responding to the media on 21 March 2006, SEM had said that the policy target of 60% participation rate had been achieved, and there was no need to set a new target. To illustrate the point, he asked a rhetorical question whether the new target, if any, should be 70%, 80% or 90%. The Administration considered that in future the demand for sub-degree programme places would determine the supply.
- (f) The total number of S5 and S7 students, including those who were not qualified or qualified but were not selected by UGC-funded institutions for admission to their undergraduate programmes was about 36 000, which was well above the current supply of about 26 000 self-financing post-secondary places in the market.

28. PSEM further said that the aim of Phase I of the Review was primarily to take stock of the development of the post-secondary education sector since 2000. The Administration welcomed public feedback on the findings and preliminary recommendations to facilitate consideration on the way forward. Subject to the views collected, the Administration would proceed with Phase 2 of the Review which would focus on the implementation details of the Phase 1 recommendations, and other higher level and structural issues including the effectiveness of the existing statutory and regulatory framework for accredited post-secondary education programmes. A comprehensive review of the common descriptors for sub-degree programmes would also be conducted to evaluate past practices and meet changing needs. Differences in the entry requirements and exit standards of individual sub-degree programmes had implications on quality assurance and would also be reviewed.

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Discussion

*Over-supply of sub-degree places and quality assurance*

29. Mr CHEUNG Man-kwong pointed out that according to the report of the Review, there was a supply of around 50 000 post-secondary places but only some 34 000 candidates attending HKALE in the 2005-06 academic year. In other words, the current supply of sub-degree places was well above the demand in the market. With the increasing supply of places in institutions following the completion of new premises and the declining student population in the next few years, course providers would have to face fierce competition in student enrolment. As a result, they might be forced to lower the entrance requirements which would in turn compromise the quality of sub-degree education in the long run. He also considered that institutions with unsatisfactory enrolment might increase tuition fees in order to repay start-up loans, and would likely reduce resources for enhancing teaching and learning. He asked how the Administration would regulate the supply of sub-degree places in the next few years to match with the demand.

30. PSEM responded that the actual demand for and supply of sub-degree places at a given time would depend on the entrance requirements and the number of qualified students who wished to enrol in sub-degree courses at that time. To meet the demands of a knowledge-based economy, the Administration considered it appropriate to provide a wider variety of post-secondary programmes and adopt the “lenient entry, stringent exit” principle so that more students could pursue post-secondary studies, but the exit standards must be rigorously guarded to assure the quality of sub-degree graduates. She pointed out that many students who had performed unsatisfactorily in the Hong Kong Certificate of Education Examination had done well in sub-degree studies. Instead of central planning, the Administration considered it appropriate to let market forces determine the supply of sub-degree places.

31. The Chairman of JORC added that the Heads of Universities Committee had established the independent JQRC in 2005 to upkeep and sustain the quality of UGC-funded institutions’ self-financing sub-degree programmes. The JORC would maintain a closer dialogue with institutions and HKCAA to ensure comparability in quality and standards of programmes at the same academic level. The JORC would conduct on-site visits and observations on the operation of individual sub-degree programmes, and evaluation on their exit standards which were currently set by institutions. Responding to the Chairman, he said that JORC would aim to establish a minimum exit standard for sub-degree programmes in Phase 2 of the Review.



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32. Dr Fernando CHEUNG considered that the problem of over-supply of sub-degree places was a result of the self-financing policy for the sub-degree sector. He requested the Administration to provide the number of publicly-funded associate degree/higher diploma programmes and taught post-graduate programmes in UGC-funded institutions which had been reduced since the implementation of the self-financing policy in the 2003-04 academic year.

33. Secretary General, University Grants Committee (SG(UGC)) responded that around 5 800 publicly-funded places in associate degree/higher diploma programmes offered by UGC-funded institutions had been reduced since the implementation of the self-financing policy in the 2003-04 academic year. He explained that under the self-financing policy, the savings recovered from the sub-degree sector would be ploughed back mainly to benefit students in the same sector through measures such as improving the package of financial assistance to students of self-financing courses. Similarly, the savings generated from phasing out publicly-funded taught post-graduate programmes would be ploughed back to the UGC sector, and a substantial part of which had been used to increase the provision of articulation places for sub-degree holders.

34. Ms Emily LAU asked whether the reduction of the 5 800 publicly-funded sub-degree programme places had been replaced by self-financing programmes in the sub-degree sector. PSEM replied that depending on the demand for these programmes, the institutions concerned would continue to operate the programmes on a self-financing basis.

35. Mr LEE Cheuk-yan asked whether the Administration would adjust the provision of publicly-funded sub-degree programmes in the light of the long-term development needs of Hong Kong. PSEM replied that the Administration would follow the principle that programmes requiring high start-up and maintenance costs, and those meeting manpower needs or regarded as endangered species, should be publicly-funded.

36. Mr Patrick LAU said that the quality of teachers was crucial to ensure the quality of sub-degree programmes. He considered that as the salaries of teachers in private institutions were relatively lower, it was unlikely that the quality of sub-degree programmes in private institutions would be comparable to that of publicly-funded programmes offered by UGC-funded institutions.

*Articulation places and pathways for sub-degree holders*

37. Mr CHEUNG Man-kwong pointed out that the current provision of 840 articulation places in the second year and the third year of undergraduate programmes in UGC-funded institutions could hardly satisfy the need of sub-degree holders to pursue university education. He considered that the Administration should increase the provision of FYFD places to cater for the

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need of sub-degree holders in the long term. Dr Fernando CHEUNG and Ms Audrey EU expressed a similar view.

38. PSEM responded that the provision of publicly-funded undergraduate places would depend on the availability of resources, and the prioritisation of education expenditure should be subject to wider discussion. Apart from publicly-funded undergraduate programmes, sub-degree programme graduates could pursue further education in a variety of self-financing sub-degree, degree and post-graduate programmes offered by local and overseas tertiary institutions. The policy to provide 14 500 FYFD places had been implemented for years, having regard to the available resources and the admission criteria set by UGC-funded institutions.

39. SG(UGC) supplemented that UGC was exploring the feasibility of increasing the number of articulation places in UGC-funded institutions by redeployment of savings generated from phasing out the taught post-graduate programmes. In view of the increasing demand of sub-degree holders for university education, UGC would aim to double the provision of senior year articulation places from the next triennium, subject to availability of resources.

40. PSEM pointed out that sub-degree was a valuable and self-standing qualification. In fact, many members of the Manpower Development Committee from the commercial sector had indicated that the commercial sector was expecting an adequate supply of sub-degree holders to take up middle-level management work. According to a recent survey on performance of degree and sub-degree graduates, employers in general considered good working attitude and proficiency in Chinese the most important merits of staff. They found that staff with sub-degree qualifications had demonstrated good working attitudes in the workplaces.

41. Dr Fernando CHEUNG requested the Administration to provide statistics on the appointment of sub-degree holders to civil service posts. PSEM agreed to provide the information after the meeting.

Admin

42. Mr LEE Cheuk-yan was concerned whether the increase in articulation places would affect the provision of FYFD places in UGC-funded institutions. PSEM confirmed that the provision of FYFD places was independent of the increase in articulation places.

43. Ms Emily LAU sought information on the number of sub-degree programme graduates who were qualified and had intention to pursue university education in the 2004-05 and the 2005-06 academic years. The Chairman of JORC agreed to provide the information after the meeting.

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44. Miss TAM Heung-man said that the accounting profession was concerned about the supply of qualified accountants and pointed out that according to a survey, very few small and medium-size accounting firms had employed sub-degree graduates because of a lack of understanding on their level of achievements. She explained the existing long pathway for sub-degree holders in accounting studies to become qualified accountants or auditors. She considered that the Administration should provide a pathway for sub-degree holders to pursue a qualification which would enable them to become members of the Hong Kong Association of Accountants and practise as professional accountants in Hong Kong.

45. PSEM responded that at present, a total of 22 professional bodies, including a number of associations of accountants, had indicated that they recognised the associate degree qualifications for the purpose of granting exemptions from parts of their professional examinations. The Chairman of JORC supplemented that sub-degree holders in accounting studies should complete a conversion programme before they could participate in the professional examinations conducted by the Hong Kong Association of Accountants.

46. Mr Patrick LAU said that the provision of job placements for students of sub-degree programmes on professional studies such as accounting studies was essential. He considered that the students and the Administration held different views on the provision of articulation places and recognition of sub-degree qualifications. He suggested that the Administration should discuss with students on the matter.

47. Referring to paragraphs 34 and 35 of the Administration's paper which stated that the Administration considered it unrealistic to provide articulation places for all sub-degree graduates without giving due regard to academic quality, and that in line with the principle of "multiple entry and exit points", not all graduates could or should immediately articulate to degree studies, Mr LEUNG Yiu-chung said that the Administration appeared unaware of the students' expectation for more articulation places. He pointed out that students were not requesting the provision of articulation places for all sub-degree graduates. He requested the Administration to conduct extensive consultation to collect students' views and concerns about the future development of sub-degree education before proceeding to Phase 2 of the Review.

48. Ms Audrey EU considered that the Administration should set out the available pathways for sub-degree holders in different disciplines and provide an enquiry service for interested students in this regard.

Action

*Provision of land grants*

49. Mr Patrick LAU considered that the Administration should retain the vacated school premises for operation of sub-degree programmes after completion of the necessary conversion works. The Chairman expressed a similar view.

*Finance assistance to students*

50. Mr CHEUNG Man-kwong and Dr Fernando CHEUNG asked how the Administration would respond to the request of students to standardise or merge the provision of financial assistance to sub-degree students under FASP and LSFS.

51. PSEM responded that subject to availability of resources, the Administration would explore the feasibility of further improving the provision of financial assistance under the two schemes. She added that the savings arising from the withdrawal of subvention from previously publicly-funded sub-degree programmes was around \$400 million, while the additional allocation for improving the provision of financial assistance to students of local accredited self-financing programmes would be around \$780 million in the 2010-11 academic year.

52. Mr LEE Cheuk-yan was concerned whether the proposed improvements to the provision of financial assistance to sub-degree students would lead to an increase in tuition fees for sub-degree programmes. In reply, PSEM said that at present, the tuition fees of sub-degree programmes in the market ranged from \$30,000 to \$50,000 per annum, which were below the maximum loan under the non-means-tested loan for sub-degree students.

Follow-up

53. In view of the time constraint, the Chairman requested the Administration to provide a written response to the questions and views of members in paragraphs 36, 46, 47, 48 and 49 above. The Administration agreed.

Admin

**V. Any other business**

54. There being no other business, the meeting ended at 10:45 am.