

立法會
Legislative Council

LC Paper No. FC12/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 8th meeting
held at the Legislative Council Chamber
on Friday, 28 January 2011, at 4:35 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon CHEUNG Man-kwong
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon WONG Yung-kan, SBS, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, MH
Dr Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH

Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, BBS, JP
Hon CHAN Hak-kan
Hon Paul CHAN Mo-po, MH, JP
Hon CHAN Kin-por, JP
Dr Hon Priscilla LEUNG Mei-fun
Hon CHEUNG Kwok-che
Hon IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yea, GBS, JP
Dr Hon PAN Pey-chyou
Dr Hon Samson TAM Wai-ho, JP
Hon LEUNG Kwok-hung
Hon Tanya CHAN

Members absent:

Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, SBS, JP
Dr Hon Margaret NG
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yea, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon LEE Wing-tat
Hon Ronny TONG Ka-wah, SC
Dr Hon LEUNG Ka-lau
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon Paul TSE Wai-chun
Hon Alan LEONG Kah-kit, SC
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man

Public officers attending:

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Alice LAU, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ¹
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ms Michelle LI, JP	Deputy Secretary for Education (1)
Miss Linda SO	Principal Assistant Secretary for Education (Further Education)
Prof John LEONG Chi-yan, SBS, JP	President, The Open University of Hong Kong
Prof LEUNG Chun-ming	Vice President (Technology and Development), The Open University of Hong Kong
Mr Peter WONG	Chief Financial Officer, Hang Seng School of Commerce/Hang Seng Management College
Prof P C WONG	Associate Vice-President (Development) Hang Seng Management College
Prof Raymond SO	Dean, School of Business, Hang Seng Management College
Ms Suzanne CHAN	Acting Chairman, Finance Committee of Hang Seng School of Commerce/Hang Seng Management College
Ms Dora LAM	Associate Director, Dudley Surveyors Limited (Consultant of Hang Seng School of Commerce/Hang Seng Management College)

Ms Helena TO	Director, The Architects' Mission (Consultant of Hang Seng School of Commerce/Hang Seng Management College)
Mr Carlson CHAN Ka-shun, JP	Deputy Director of Environmental Protection (3)
Mr W C MOK, JP	Assistant Director of Environmental Protection (Air Policy)
Mr Edmond HO Ka-man	Principal Environmental Protection Officer (Mobile Source), Environmental Protection Department

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
------------------	-------------------------------

Staff in attendance:

Ms Annette LAM	Chief Council Secretary (1)7
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)1

Action

Item No. 3 - FCR(2010-11)57

LOAN FUND

HEAD 252 – LOANS TO SCHOOLS/TEACHERS

Subhead 106 Start-up loan for post-secondary education providers

The Chairman advised that the item sought the Committee's approval of granting two loans totalling \$625 million to the Open University of Hong Kong (OUHK) and the Hang Seng School of Commerce (HSMC) to provide accredited post-secondary programmes on a self-financing basis.

2. Ms Starry LEE reported that the Panel on Education had discussed the funding proposal on 10 January 2011. While supporting the proposal, Panel members expressed concern that the campuses of the institutions were too

small, and whether bursaries and scholarship were available to students with financial needs.

3. Regarding the concern about the size of the campuses, Deputy Secretary for Education(1) (DS(1)) said that the Administration had earmarked sites for tertiary education development. Institutions might bid for land for campus expansion or setting up new campuses. In addition, the Administration would also examine applications by institutions for expansion on a case-by-case basis after taking into account the need of the institution and other competing priorities.

4. Associate Vice-President (Development), HSMC said that although the campus of HSMC was small, the College strived to contribute towards training and development of talents for Hong Kong. According to its own internal survey, students were, on the whole, content with the environment and the quality of education they received.

5. Ms Cyd HO asked whether tertiary institutions would provide scholarship and bursaries to students with financial needs.

6. DS(1) said that the criteria for provision of financial assistance for students taking self-financing programmes had been relaxed, and these students could receive financial support to meet education-related expenses in the same way as other students in programmes funded by the University Grants Committee (UGC).

7. Associate Vice-President (Development), HSMC informed members that the HSMC Board of Director had donated \$1 billion to set up a fund to help students with financial needs. President, OUHK advised that students enrolled in full-time face-to-face programmes could receive financial support to meet education-related expenses in the same way as students in UGC institutions. For students in distance learning programmes, the Administration had provided \$100 million for the university to set up a loan fund, but they were not eligible for grants and bursaries under the government Student Financial Assistance Scheme, unless they took enough credits in two years (40 credits) to be deemed equivalent to full-time enrollment. Most distance learning students did not have the time to do that because they were working adults. The university had also raised private donation to offer scholarship, bursaries and other student awards. However, such support could only benefit several hundred students, out of a total 19 000 students. He suggested the Administration review the policy and make available financial support to distance learning students, since the amount of resources required would not be substantial.

8. In response to the Chairman, DS(1) advised that at present, scholarship and grants were only available to full-time students as part-time students normally had paid employment. The Chairman commented that the practice was discriminatory. DS(1) explained that the Administration adopted a multi-pronged approach in promoting continuing education. The Administration had provided \$100 million to OUHK to offer loans to distance learning students, and had set up the Continuing Education Fund. Part-time students could apply for non-means tested student loan if they had financial needs.

9. Mrs Sophie LEUNG expressed appreciation of the efforts of OUHK in promoting self-learning among women. She considered that the Administration should provide adequate financial support to tertiary institutions, so that they could use more of their donations to help distance learning students.

Vocational and career development

10. Ms Starry LEE said that Members from the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposal. While the funding proposal would provide more resources to support more students to receive higher education, Ms LEE was concerned about the future employment and career prospects of the students.

11. President, OUHK said that OUHK had kept track of its graduates' employment situation. In 2008, the average employment rate was 82.6%, which was on par with those of the other UGC-funded institutions. Associate Vice-President (Development), HSMC advised that the College had conducted surveys and had discussed with employers to assess the employment market needs and evaluate the number of admissions as well as in the design and provision of academic programmes. The College was also concerned about the full-person development and vocational needs of students.

12. Ms Starry LEE expressed concern that the two tertiary institutions would focus on launching low-cost or more popular commerce-oriented programmes, rather than investing in academic programmes that would contribute towards the long term development needs of Hong Kong, such as developing talents to meet manpower needs for the six priority industries.

13. Dr Joseph LI declared interest as he was an instructor of OUHK. He commented that the additional resources provided to tertiary institutions were often used by institutions for acquiring "hardware". He suggested that the Administration should also provide full funding support for the development of other programmes such as psychiatric nurse training programmes which were

now run on self-financing basis, and were conducive to the development of the six priority industries.

14. DS(1) said that it was the Administration's intention to promote the parallel development of publicly-funded and self-financing institutions. The Administration would keep the funding policies under review and would implement suitable measures as necessary. For example, the Chief Executive had pledged in his last year's Policy Address to set up a \$2.5 billion Self-financing Post-secondary Education Fund to support post-secondary institutions and students. President, OUHK advised that the university offered three new programmes to provide training of personnel for three out of six "priority industries" namely the medical services, cultural and creative industries, and testing and certification services.

15. Ms Cyd HO noted that there were more than 26,000 students undertaking sub-degree programmes. However, the employment situation of sub-degree graduates was not too encouraging. Ms HO asked whether institutions would give preference to admitting their own sub-degree graduates to degree courses.

16. Associate Vice-President (Development), HSMC said that, on the whole, more than 90% of its sub-degree graduates continued to study in top-up degree programmes. The College gave preference to students with Grade Point Average of 2.5 or above. He explained that 50% of HSMC graduates were admitted to third-year university programmes, between 10% and 15% continued to study in other UGC-funded institutions, and about 20% pursued further studies overseas.

Academic accreditation of self-financing programmes

17. Ms Cyd HO referred to a recent UGC report which mentioned that there was insufficient supervision of self-financing tertiary education programmes. Given that self-financing degree and sub-degree programmes were expensive and around 30,000 students were taking such programmes, Ms HO expressed concern about the lack of quality assurance system for these courses and institutions. Ms HO asked if tertiary institutions would collaborate on developing a quality accreditation mechanism for such courses. She stressed that such accreditation should be recognized internationally.

18. DS(1) responded that the Administration was consulting major stakeholders and tertiary institutions on the various recommendations of the UGC report. On academic accreditation, the Hong Kong Council for Accreditation of Academic and Vocational Qualification (HKCAAVQ) was

administering a rigorous academic quality accreditation mechanism at both institution and individual programme levels, including sub-degree programmes.

19. Associate Vice-President (Development), HSMC said that there was also rigorous accreditation and quality assurance process to ensure that the various academic programmes offered by HSMC were up to a high standard. President, OUHK said that OUHK was also accredited by HKCAAVQ in addition to its own internal quality assurance mechanism.

20. Ms HO suggested that the Administration should discuss with tertiary institutions and stakeholders to implement a credit transfer system so that academic credits awarded by a private university could be recognized by a UGC-funded institution.

21. DS(1) responded that tertiary institutions were already operating a credit transfer system for different courses within the same institution, and also among different institutions. President, OUHK added that OUHK was the first institution that implemented a credit transfer system. He added that while sub-degree students could graduate within two years, many would carry their credits to a degree programme. Sub-degree graduates from UGC-funded institutions, VTC and self-financing tertiary institutions could also carry credits to OUHK to study for a degree qualification.

Development of private universities

22. Mrs Sophie LEUNG expressed support for the proposal and the development of private university and self-financing programmes. She considered that there should not be over-regulation of the operations of these institutions and programmes in order not to stifle their initiatives and creativity. Instead, private universities and higher education institutions should be encouraged to design their programmes that inspire students' learning initiatives.

23. Associate Vice-President (Development), HSMC agreed that institutions should motivate students to develop self-learning initiatives. He recalled that HSMC launched a programme with a capacity of 400 students, but more than 1,700 applications were received. This reflected that many people had the ability and qualification to pursue higher studies, and there was a need to provide them with more choices and high quality education opportunities.

24. Prof Patrick LAU declared that he was a Council Member of OUHK. He said that relatively less students were taking distance learning programmes because of economic reasons. However, as Hong Kong was a knowledge-based society, it was necessary for people to equip themselves with

updated knowledge to develop their career. Prof LAU suggested that the Administration should consider providing funding for institutions to organize academic / vocational programmes in areas where the education / professional level of practitioners needed enhancement.

Special admission quota for retired athletes

25. Mr WONG Kwok-hing supported the funding proposal. He asked whether the Education Bureau had explored with tertiary institutions to admit retired athletes.

26. DS(1) said that tertiary institutions would take into account non-academic achievements in considering admission of applicant. Associate Vice-President (Development), HSMC said that the College had admitted students that did not normally meet the admission criteria, including students with disabilities. HSMC would consider applications from interested athletes and would be willing to explore with the Hong Kong Sports Institute the necessary arrangements. President, OUHK said that for distance learning programmes, there were no specific academic prerequisite for admission to OUHK; and for face-to-face programmes the academic prerequisite was similar to UGC institutions. Professional athletes could apply for admission to distance learning studies whilst continuing their full-time sports training.

27. Mr WONG Kwok-hing welcomed the institutions' positive response and urged the Administration to provide necessary facilitation.

28. The Chairman said that there had been discussion at the Panel on Home Affairs (HA Panel) on the overseas experience in supporting athletes in their academic development. It was found that in places such as Australia, there was flexibility for athletes to stretch their curriculum over a longer period than other average students. She advised that the HA Panel would convene a joint meeting with the Panel on Education to follow-up this issue with the Administration.

29. Regarding sports development, President, OUHK commented that a self-financing institution like OUHK did not have sufficient space in its campus to provide proper sports facilities for students. It might be difficult to launch sports-related studies as the demand was not apparent.

30. Ir Dr Raymond HO suggested the Administration to provide more resources to institutions for setting up a sports centre.

Action

31. Ms Cyd HO said that as the Administration's proposal for Hong Kong to bid for hosting the 2023 Asian Games at a ball-park \$6 billion budget was not supported by the Finance Committee (FC), the amount originally earmarked for the proposal could be used to provide sports facilities for students instead, and such facilities could be converted for hosting major games in future as necessary.

32. The Chairman put the items to vote. The Committee approved the funding application.

Item No. 4 - FCR(2010-11)58

HEAD 44 – ENVIRONMENTAL PROTECTION DEPARTMENT

Subhead 700 General non-recurrent

New Item "Pilot Green Transport Fund"

33. The Chairman advised that the item sought the Committee's approval of \$300 million for setting up a Pilot Green Transport Fund to encourage the transport sector to test out green and low-carbon transport technologies.

34. Mr CHAN Hak-kan said that the proposal was discussed at the Panel on Environment on 20 December 2010. Panel members had no objection in principle to the establishment of the Pilot Green Transport Fund. Some Panel members considered that the application procedures should not be excessively cumbersome as this would discourage the transport sector to use the fund to test out new green and low-carbon transport technology. The Administration should also encourage individual commercial vehicle owner-operators to apply to the Fund to avoid it being used mainly by major transport companies. Some panel members had also expressed concern about intellectual property rights of patented products to be tested under the scheme.

35. Deputy Director of Environmental Protection (3) (DDEP(3)) said that the Fund was set up to help identify and promote green and efficient transport technologies in Hong Kong. The Administration expected that applications would mainly be submitted by local transport service operators as they would be more likely to pick the technology or products that had better potential for wide application in Hong Kong.

36. Ms Cyd HO asked if the Administration would consider applications from smaller transport operators who were willing to try out new and greener technologies.

37. DDEP(3) said that smaller firms that had the necessary experience and interest could apply for the Fund. If the products or technologies tested were considered effective, the Administration would promote its use within the sector.

38. Mr KAM Nai-wai said that Members from the Democratic Party supported the funding proposal. As \$300 million would be allocated for setting up the Fund, Mr KAM asked whether the Administration would report the progress on the use of the Fund to the Legislative Council periodically and also conduct regular review of its operation and effectiveness.

39. DDEP(3) advised that it was difficult to assess the future operation and spending pattern of the Fund at this stage. However, applications up to \$60 million by value were expected at the initial stage. The Administration would report the progress on the use of the Fund to the Legislative Council periodically.

40. Mr KAM noted that a steering committee would be set up to assess and advise on individual applications. He asked if the steering committee would include representatives from environment groups.

41. DDEP(3) said that the main functions of the steering committee was to give technical and professional input on the eligibility of vehicles and emission reduction installations in the applications for the subsidy. Individuals from environment groups with the relevant professional expertise could be considered for appointment to the steering committee.

42. On the selection and approval of applications, Mr KAM asked whether due weight would be given to proposals that were more practical and could readily be applicable to actual operations. Ms Cyd HO considered that the emission reduction of the products or technologies to be tested should be given more weight in assessing applications under the Fund.

43. The Administration assured members that the practicality of the technology proposed to be tested would be a relevant criterion to be assessed.

44. The Chairman put the item to vote. The Committee approved the funding proposal.

Action

45. The meeting was adjourned at 5:38 pm.

Legislative Council Secretariat
8 November 2011