立法會 CB(2)1279/10-11(08)號文件
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Dear Honourable Legislative Councillors

I am writing in my personal capacity as a veteran member of the sub-degree community, would like to comment on some of the statements and recommendations made on **Section II Institutions' Relationship with Their Self-financing Operations** in the Higher Education Review Report published by the UGC in December 2010 as follows:

1. **Cross Subsidies?**
   Paragraph 7.24 suggests that there is possible cross subsidisation for community colleges affiliated to UGC funded institutions through sharing of some resources and services. Paragraph 7.24 states that a community college physically located on the campus of the affiliated publicly funded institution and share resources is an example of possible cross subsidization despite cross-charging arrangements.
2. To my knowledge, the community colleges affiliated to UGC institutions, including those located on the campus of parent institutions are not entitled to the full complement of services provided to their UGC funded counterparts. They can only afford to subscribe some of the essential services such as library, and internet services. Already the community colleges are paying a fair share (20-30%) of the tuition fees to the parent institution for the services they subscribe. Of course if these services are all calculated on a UGC formula, they will be so expensive that they will become unaffordable. However, these services are provided on a marginal cost principle with the spare capacity of the institutions, usually without incurring additional costs to the institutions.
3. The success of the community colleges affiliated to UGC funded institutions partly depends on the provision of these subscribed services to maintain the quality of education and to ensure that their students have a quality educational experience they deserve to get at tertiary level. However, Recommendation 34, if enforced, will make the parent UGC funded institutions axe the very few but essential services provided to, and possibly even their tie with, the affiliated colleges, which as a result will inevitably impoverish the quality of sub-degree education.
4. In paragraph 7.23, the UGC acknowledges that the ability to draw on a pool of respected professionals and established brand name do not imply a tilted playing field and these are facts of life in any business, even education. The UGC is only concerned about cross subsidies from publicly funded institutions to self financing arms. According to paragraph 3.8, among the intake of 34,949 sub-degree students in 2009/10, 13,886 are from the Vocational Training Council, of which 8,030 are

publicly funded, and 5,856 are self-financing. If possible cross subsidies from publicly funded institutions to self-financing arms in the sub-degree sector is UGC's concern, surely there must be similar cross subsidies arrangements between the publicly funded and the self-financing operations of the VTC. Why are only the community colleges affiliated to UGC institutions singled out? Furthermore, those self-financing top-up degree programmes offered by overseas partners in collaboration with the continuing education arms of the UGC funded institutions are also entitled to the sharing of some back office resources and library services of the partner UGC funded institutions, albeit through similar cross-charging arrangements, why is UGC not worried about the possible cross-subsidization to them? Why are only those sub-degree programmes offered by community colleges affiliated to UGC funded institutions being pinpointed?

5. **Level playing field or lowering quality of education**
   Under the pretext of establishing a "level playing field", time and again the Government has set policies which are extremely unfair to the sub-degree sector and have grossly disadvantaged the sub-degree students. Already the majority of sub-degree students are forced to take self-financing programmes at a much higher tuition fee due to the change in government funding policies in 2003 in the name of level playing field, making the sub-degree level of education the only level in the education system (from primary to degree level) that is predominately self-financing. Obviously the provision of resources to the self-financing sub-degree students is not comparable to that for the publicly funded ones. (This is true even for those self-financing sub-degree programmes that are offered by the community colleges affiliated to UGC funded institutions despite their efforts in maintaining the quality through cross-charging arrangements). Now the UGC recommends a complete severance of the affiliated community colleges from their parent UGC funded institution not only in terms of financial accounts and operations, (which is already the current practice), but also in terms of subscription of services, which will inevitably lead to a further deprivation of these sub-degree students from the much needed academic resources for quality higher education. As a result of removing the current provision of services and academic resources currently enjoyed by the majority of sub-degree students who are studying in community colleges affiliated to the UGC funded institutions (who are the major sub-degree providers), a further lowering of the quality of education in the sub-degree sector as a whole will be inevitable.
6. Paragraphs 7.22-24 and Recommendations 33-34 seem to imply that the services and resources currently enjoyed by the students in community colleges affiliated to UGC funded institutions are more than what they are entitled to and more than

what they deserve to get, hence fairness should be seen to by removing these from them. In fact, the recommendations will only do further injustice and unfairness to the sub-degree students and the sector providers.

7. While Recommendations 3-6 advocate an integrated post-secondary education sector and the establishment of a "robust Credit Accumulation and Transfer System" giving the sub-degree education its due recognition in the 4 year degree system, Recommendations 33-34 will severely undermine the quality of sub-degree education, thus making the transfer and recognition more difficult.
8. **Compete separation within 3 years neither necessary nor viable**
   I can understand the rationale for the "complete" separation from its parent institution if the community college is to turn itself into a private university. However, if it does not intend to do so or before it is able to do so, I just fail to see why there is such a need for the recommended complete separation.
9. Recommending a complete separation within 3 years is distressingly impracticable for those community colleges operating on the campus of the affiliated UGC funded institutions, even if they are planning to turn themselves into a self-financing degree awarding college under Cap.320. With the current processes of bidding for land, even with the expedition of land grant provision by the government, it will certainly take more than 3 years for the community college to be able to establish an appropriate separate campus. Does the UGC or the Government wish to see these community colleges end up running their programmes in commercial premises or being driven out of the sub-degree sector altogether in the future?
10. **Ownership of sub-degree buildings on government loan upon separation**
    What is going to happen to the buildings which were built on a government loan for the community colleges, especially those on the campus of the affiliated UGC institutions after the separation? Who has the ownership, the sub-degree providers or the affiliated UGC institutions through whom the application for loan was made? What happens to the loan repayment already made by the respective community colleges after the separation? What happens to the reserve accumulated by the community colleges after the separation? I hope Recommendation 34 would not give the UGC institutions a legitimate reason for stripping the affiliated community colleges of the remaining limited services and appropriating their resources for the institutions' own use.

Yours truly

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