

立法會
Legislative Council

LC Paper No. CB(4)775/14-15
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by the Administration)

Ref : CB4/PL/ED

Panel on Education

Minutes of special meeting
held on Saturday, 7 February 2015, at 9:00 am
in Conference Room 3 of the Legislative Council Complex

- Members present** : Dr Hon LAM Tai-fai, SBS, JP (Chairman)
Hon IP Kin-yuen (Deputy Chairman)
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon Cyd HO Sau-lan, JP
Hon Starry LEE Wai-king, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHEUNG Kwok-che
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon LEUNG Kwok-hung
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon Dennis KWOK
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon CHIANG Lai-wan, JP
- Member attending** : Hon Alan LEONG Kah-kit, SC

Members absent : Hon Albert HO Chun-yan
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin
Dr Hon Kenneth CHAN Ka-lok
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Public Officers attending : Agenda item I

Mr Eddie NG, SBS, JP
Secretary for Education

Mr Brian LO Sai-hung
Deputy Secretary for Education (1)

Ms Pecvin YONG
Principal Assistant Secretary
(Further Education)
Education Bureau

Invited Participants : Agenda item I

Mr Tim LUI Tim-leung, BBS, JP
Chairman
Committee on Self-financing Post-secondary
Education

Mr YIP Hak-kwong
Director
Policy 21 Limited

Attendance by invitation : **Session 1 (9:00 am - 10:50 am)**

Hong Kong Institute of Technology

Dr Joy SHI
President

The Chinese University of Hong Kong

Professor Benjamin W WAH
Provost

The Hong Kong Polytechnic University

Professor Peter YUEN
Dean (College of Professional and Continuing
Education)

Hong Kong Nang Yan College of Higher Education

Professor Edwin WONG King-por
President

City University of Hong Kong

Dr Louis MA
Director
School of Continuing & Professional Education

New People's Party

Mr Ray CHEUNG Chak-chung
Community Development Officer

Yew Chung Community College

Professor Sultana T. POPOSKA
Vice-President

Hong Kong College of Technology

Dr CHAN Cheuk-hay
President & Principal

Hong Kong Baptist University

Dr SAM LAU Shun-shun
Director
College of International Education
HKBU School of Continuing Education

SCAD Hong Kong

Mr Michael SHREVE
Associate Vice President

DAB

Mr TO Cho-ki
Representative

HKCT Institute of Higher Education

Ms Erica LAU
Academic Registrar

The University of Hong Kong / HKU SPACE
Po Leung Kuk Community College

Professor CHAN Lung-sang
Deputy Director
HKU School of Professional and Continuing
Education

Hong Kong Council for Accreditation of
Academic & Vocational Qualifications

Ms Dorte KRISTOFFERSEN
Deputy Executive Director (Academic)

Hong Kong Professional Teachers' Union

Mr HUNG Ying-ho
Member of Executive Committee

The Open University of Hong Kong

Prof LEE Wing-on
Vice President (Administration & Development)

The Student Union of Hong Kong Shue Yan
University

Mr CHAN Kok-hin
President

The Hong Kong University of Science and
Technology

Dr David MOLE
Senior Advisor to the Executive Vice-President
& Provost

Civic Party

Mr Joshua LI Chun-hei
Kowloon West District Developer

Shue Yan Umbrella Alumni Association

Mr NG Chung-tat
Representative

Hang Seng Management College

Prof Gilbert FONG Chee-fun
Provost, Dean of School of Translation &
Professor of Translation

Session 2 (11:00 am - 12:45 pm)

關注副學位大聯盟

Mr TAM Lok-kei
Spokesperson

Mr Timothy LEE Ho-yin

Labour Party

Mr Jacky MOK
Representative

Miss TJHAN Pauline Jessica Hillary

Miss TANG Ka-yi

Miss YUEN Ka-wai

Hang Seng Management College Students' Union

Mr AU Wai-Keung
External Vice President of Executive
Committee

The Open University of Hong Kong Students' Union

Mr YIP Yee-yin
President of Executive Committee

Hong Kong Shue Yan University
Student Union Council

Mr FUNG Ka-ho
Ex-officio member

Student Union of Chu Hai College of
Higher Education

Mr LEE Hon-leung

Tung Wah College Students' Union

Mr LEE Tak-shing
President

Mr CHAN Hiu-yeung

Mr LAI Man-lok

大專政改關注組學生發展部

Mr IP Chi-hin

大專政改關注組

Mr David CHU Wai-chung
Member

HKCT Action

Mr YIM Chi-wing
Member

Miss HUI Wun-wun

18 Districts Poor Associate Degree Student Union
of HK

Mr CHAN Man-wai
Founder

教育面前窮人含忍連線

Mr Oscar LO Chun-man
Founder

Social Science Society of CIHE

Mr LO Tak-cheong
Vice-President (External)

Mr FUNG Ka-lok

The Students' Union of the Chinese University
of Hong Kong

Mr CHEUNG Sau-yin
President

Democratic Party

Mr Joshua FUNG

Clerk in attendance : Miss Polly YEUNG
Chief Council Secretary (4)4

Staff in attendance : Mr KWONG Kam-fai
Senior Council Secretary (4)4

Ms Sandy HAU
Legislative Assistant (4)4

Miss Emma LAM
Clerical Assistant (4)3

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I. Issues related to the regulation, governance and quality assurance of the self-financing post-secondary sector with reference to the Report of the consultancy study on "Local and International Good Practices in the Governance and Quality Assurance of the Self-financing Post-secondary Education Sector"

(LC Paper No. CB(4)116/14-15(03) -- Paper provided by the Administration

LC Paper No. CB(4)154/14-15(01) -- Report of the consultancy study on "Local and International Good Practices in the Governance and Quality Assurance of the Self-financing Post-secondary Education Sector"

LC Paper No. CB(4)428/14-15(01) -- Updated background brief entitled "Issues related to the governance and regulation of the self-financing post-secondary education sector" prepared by the LegCo Secretariat)

Written submissions from deputations/individuals not attending the meeting

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- (LC Paper No. CB(4)428/14-15(11) -- Lingnan University
(*English version only*)
- LC Paper No. CB(4)428/14-15(12) -- Centennial College
(*English version only*)
- LC Paper No. CB(4)428/14-15(13) -- The Hong Kong Institute
of Education
(*English version only*)
- LC Paper No. CB(4)428/14-15(14) -- 香港自資院校學生聯盟
(*Chinese version only*)
- LC Paper No. CB(4)482/14-15(03) -- Mr YEUNG Wai-sing
Eastern District Council
Member
(*Chinese version only*)
- LC Paper No. CB(4)462/14-15(01) -- Tung Wah College
(*English version only*)
- LC Paper No. CB(4)428/14-15(08) -- Hong Kong Shue Yan
University
- LC Paper No. CB(4)483/14-15(03) -- Hong Kong Federation
of Students
(*Chinese version only*)

Members noted a paper provided by the Administration [LC Paper No. CB(4)116/14-15(03)], Report of the consultancy study on "Local and International Good Practices in the Governance and Quality Assurance of the Self-financing Post-secondary Education Sector" published by the Committee on Self-financing Post-secondary Education ("CSPE") [LC Paper No. CB(4)154/14-15(01)] and the updated background brief prepared by the Secretariat [LC Paper No. CB(4)428/14-15(01)]. They also noted the submissions from deputations/individuals not attending the meeting.

Briefing by the Administration

2. At the invitation of the Chairman, Secretary for Education ("SED") briefed members on the policy and measures to enhance the governance, transparency and quality of the self-financing post-secondary education

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3. Mr Tim LUI, Chairman of CSPE briefed members on the work of CSPE and the Consultancy Study on "Local and International Good Practices in the Governance and Quality Assurance of the Self-financing Post-secondary Education Sector. Based on the Report of the Consultancy Study, CSPE had compiled a draft Code of Good Practices on Governance and Quality Assurance for the self-financing post-secondary sector ("Code of Good Practices") which had been released for public consultation till mid-March 2015.

(Post-meeting note: The Consultation Document on the draft Code of Good Practices on Governance and Quality Assurance issued by CSPE was circulated to members vide LC Paper No. CB(4)548/14-15(01) on 23 February 2015.)

Session 1

Oral presentation by deputations/individuals

4. A total of 21 deputations/individuals presented their views in the first session. Their major concerns were summarized in the **Appendix**.

Initial response by the Administration

5. SED thanked the deputations for presenting their views. He highlighted that post-secondary institutions in Hong Kong enjoyed a high degree of autonomy and academic freedom. In devising oversight and regulatory mechanisms in respect of the post-secondary sector, the Administration was guided by the principles of reasonableness and proportionality. Taking into account the difference in nature and scale of operation among the self-financing post-secondary institutions, the Code of Good Practices sought to provide general guidelines rather than specifying detailed requirements for compliance. Upon promulgation, the Code of Good Practices was expected to be adopted by self-financing post-secondary institutions on voluntary basis.

6. Mr Tim LUI advised that since its establishment in April 2012, CSPE had served as a useful platform for discussing macro and strategic issues of common interest to the self-financing post-secondary sector, as well as promoting quality and good practices. Mr LUI noted the concerns expressed by some deputations about the recommendation that the institutions should disclose their financial information at an appropriate

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level of details. However, he highlighted that as stated in the Consultancy Report, self-financing higher education institutions in some other jurisdictions were under a similar requirement to publish their financial information. The CSPE would continue to gauge public views, especially on this relatively contentious issue.

Discussion

7. The Chairman drew members' attention to Rule 83A of the Rules of Procedure which provided that a Member shall not move any motion or amendment relating to a matter in which he had a pecuniary interest, whether direct or indirect, or speak on any such matter, except where he disclosed the nature of that interest. He reminded members to declare interests, if any, in the matter under discussion.

Enhancing governance and quality assurance

8. Dr Helena WONG declared that she was teaching at the Hong Kong Polytechnic University but she had not participated in the teaching of self-financing programmes. She welcomed the publication of the Consultancy Report and the future promulgation of the Code of Good Practices to enhance governance and quality assurance, as the self-financing post-secondary sector had become increasingly commercialized. However, since adoption of the Code would be voluntary, Dr WONG was concerned whether any incentives would be provided to encourage the institutions to adopt the Code. With reference to overseas practices, she considered that the governing body of each institution should comprise an appropriate mix of stakeholders including student representatives and external parties. The Government might explore whether legislation should be enacted so that each institution would be governed by its own ordinance stipulating, amongst others, the composition of its governing body.

9. To enhance governance, Ms Cyd HO opined that the Administration should examine the feasibility of enacting a single piece of governing legislation to cover all self-financing post-secondary institutions. The Deputy Chairman said that apart from encouraging the voluntary adoption of the Code of Good Practices, the Administration should also amend the Post Secondary Colleges Ordinance ("PSCO") (Cap. 320) to strengthen the regulation of self-financing post-secondary institutions.

10. Dr CHIANG Lai-wan noted the significant increase in self-financing post-secondary programmes in the last decade to meet the

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target that 60% of the relevant cohort of young people should have access to post-secondary education. In this connection, she stressed the need for proper quality assurance of the study programmes, and was concerned whether individual institutions would be willing to adopt the Code of Good Practices.

11. SED highlighted that self-financing post-secondary institutions were non-profit-making and they would be encouraged to adopt the Code of Good Practices. Deputy Secretary for Education (1) ("DS(Ed)1") advised that while the University Grants Committee("UGC")-funded institutions had their respective governing ordinance and enjoyed self-accrediting status, non-UGC-funded post-secondary institutions and their programmes were subject to the accreditation or approval by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications ("HKCAAVQ") for ensuring an acceptable standard of governance and quality assurance.

Disclosure of financial information by institutions

12. Ms Cyd HO considered that self-financing post-secondary institutions should be accountable to the public if they had benefited from funding schemes launched by the Government or had been provided land at nominal premium or premises at nominal rent. Noting that some deputations from the self-financing post-secondary sector had strong reservation on the requirement to disclose the financial information of institutions, she sought further explanation on their concerns.

13. At the invitation of the Chairman, Professor Peter YUEN of the Hong Kong Polytechnic University explained that the institution supported the full disclosure of financial information to the relevant quality assurance body which was in a position to judge whether or not resources were deployed in an appropriate manner regarding quality, after assessing the institution's overall operations and future plans. However, there were concerns as to the level of details expected to be disclosed to the public. If the financial information of institutions was reported by the media out of context, it would cause misunderstanding and pressure on the institutions concerned. For example, an institution would be criticized for increasing its tuition fees for the mere reason that it had a surplus.

14. Dr CHAN Cheuk-hay of Hong Kong College of Technology ("HKCT") said that as he had reflected to CSPE earlier, irrespective of whether an institution had a surplus or deficit, the financial position of the institution would likely be reported in a negative manner by the media. For

example, the institution might be reported as making a big profit when there was a surplus or at the risk of imminent closure if it recorded a deficit.

15. Professor Gilbert FONG of Hang Seng Management College said that the self-financing community colleges of the UGC-funded institutions had a much more favourable financial position than other self-financing post-secondary institutions and some of these community colleges had a large surplus. It was necessary to take into account the background, mission and operation of different institutions when analyzing or interpreting information on their financial position.

16. Professor Edwin WONG of Hong Kong Nang Yan College of Higher Education ("HKNYC") said that HKNYC, as well as some other institutions, had been operating at a deficit. Their sponsoring bodies had to inject funding continuously to sustain the operation of the institutions. At present, the public could have access to the financial information of the institutions as they were required to file their annual returns containing the audited financial statements with the Company Registry. Given the non-profit-making nature and missions of self-financing post-secondary institutions, Professor Edwin WONG disagreed with the comments made by some deputations that these institutions were profits-oriented.

17. Mr NG Chung-tat of Shue Yan Umbrella Alumni Association considered that disclosure of financial information could enhance the accountability and transparency of the institutions in their use of funding. If institutions with surplus could explain to their students how the surplus would be deployed for the benefit of students, it might help to foster a stronger sense of belonging among students.

18. Mr LEUNG Kwok-hung expressed support for enhancing the transparency of the institutions through disclosure of their financial information. He was of the view that it should be the responsibility of the institutions to proactively explain to the media and the public their financial position so as to avoid misinterpretation.

19. Dr CHIANG Lai-wan was concerned whether there would be other measure to enhance transparency if the institutions would not disclose information on their financial position as specified in the Code of Good Practice which was for voluntary adoption. To address concerns about the possible increase of tuition fees, she suggested that the institutions might consider the feasibility of promulgating the level of tuition fee payable by a student throughout the duration of his study upon his admission.

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20. Regarding the requirement on disclosure of financial information, the Deputy Chairman stressed the need to maintain consistency at the policy level. Noting that schools in receipt of government subsidy under the Direct Subsidy Scheme ("DSS") were only required to disclose their incomes and expenditures in percentage terms instead of the actual amount, he sought explanation on the rationale for requiring self-financing post-secondary institutions, which did not receive any recurrent government subvention, to disclose in detail their financial information.

21. In this regard, SED reiterated that disclosure of the financial information of institutions at an appropriate level of details would be conducive to enhancing transparency and the right to information of students and the general public. Regarding the requirements on DSS schools, SED explained that pursuant to the recommendations of a Working Group on DSS set up by the Education Bureau ("EDB"), starting from 2012, DSS schools were required to disclose annually in a standard template their major expenditures in terms of percentages of their annual overall expenditures and the cumulative operating reserve in terms of the equivalent months of operating expenditure.

Support for institutions and students

22. Mr LEUNG Kwok-hung remarked that on the one hand, the Government had set the target that 60% of the relevant cohort of young people should have access to post-secondary education. On the other hand, it had not increased public expenditure on post-secondary education, nor provided more publicly-funded undergraduate places. The Deputy Chairman said that the Administration should consider providing further financial support to self-financing post-secondary institutions, such as subsidizing the costs of seeking accreditation/quality assurance. He also noted with grave concern that unlike UGC-funded institutions, self-financing institutions did not receive any recurrent subvention from the Government to support their operations and developments.

23. Dr CHIANG Lai-wan said that as self-financing post-secondary institutions were not in receipt of government funding, their financial position varied according to their background and development. She cautioned that before contemplating any measures to regulate the levels of tuition fees, it was necessary for the Administration to take into consideration the adverse impact, if any, on the financial viability of the institutions.

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24. Professor CHAN Lung-sang of the University of Hong Kong/HKU SPACE Po Leung Kuk Community College pointed out that unlike their counterparts in UGC-funded institutions who were heavily subsidized at about \$180,000 per student per annum, students pursuing self-financing post-secondary programmes did not receive any subsidy from the Government. Professor LEE Wing-on of the Open University of Hong Kong ("OUHK") concurred with Professor CHAN, and said that currently, the financial support provided to self-financing post-secondary institutions and their students was minimal.

25. Noting the views of members and deputations, SED advised that the annual government expenditure on post-secondary education amounted to about \$16.5 to \$17 billion. In addition, the Administration had put in place a basket of measures to support the development of the self-financing post-secondary education sector, such as the Sixth Matching Grant Scheme and the Self-financing Post-secondary Education Fund ("SPEF"). SED elaborated that the \$3.52 billion SPEF aimed to provide scholarships to outstanding students pursuing self-financing post-secondary programmes and support projects to enhance and assure the quality of self-financing post-secondary education. Where appropriate, students pursuing self-financing post-secondary programmes could apply for financial assistance under various schemes administered by the Student Financial Assistance Agency ("SFAA").

26. In this connection, Dr Louis MA of City University of Hong Kong said that according to his understanding, some self-financing post-secondary institutions were not covered by the Sixth Matching Grant Scheme.

27. In conclusion, the Chairman thanked the deputations for attending the meeting and sharing their views and concerns.

Session 2

Oral presentation by deputations/individuals

28. A total of 23 deputations/individuals presented their views in the second session. Their major concerns were summarized in the **Appendix**.

Initial response by the Administration

29. DS(Ed)1 apologized that SED was unable to attend the second session of this special meeting due to prior official commitment. On the

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major views and concerns of the deputations, DS(Ed)1 stressed that the Government had all along attached great importance to education, the recurrent expenditure of which accounted for over 20% of the total recurrent government expenditure. It was the Government's policy to support the parallel development of publicly-funded and self-financing post-secondary sectors. In devising the oversight and regulatory mechanisms, it was guided by the principles of reasonableness and proportionality with the focus on enhancing transparency, quality assurance, good governance and the interest of students.

30. As regards quality assurance, DS(Ed)1 advised that programmes offered by self-financing post-secondary institutions were required to be accredited by HKCAAVQ and were subject to revalidation for ensuring programme quality. To promote good governance, CSPE was conducting consultation on the draft Code of Good Practices which was expected to be adopted on a voluntary basis by institutions. The launch of the Concourse website provided comprehensive information and statistics of the self-financing post-secondary sector. Regarding the disclosure of financial information by individual institutions, the Administration took note of the views expressed by the self-financing sector and by students. The CSPE would continue to collect public views during the consultation exercise on the draft Code of Good Practices.

31. Mr Tim LUI reiterated that CSPE would further advance the work on promoting good governance and quality assurance which were of pivotal importance for the development of the self-financing sector. Based on the Report of the Consultancy Study, it had compiled a draft Code of Good Practices for public consultation. CSPE would also take note of the views of deputations for consideration.

Discussions

32. Dr Helena WONG expressed her regret at the non-attendance of SED at the second session of this meeting. She noted that the majority of attendees for the first session of the meeting were representatives from the self-financing institutions while those for the second session were predominantly students. Dr WONG considered that such meeting arrangements could not provide a platform which enabled stakeholders from different sectors to be present and exchange their views. In this connection, the Chairman informed the meeting that in line with the usual practice, the attendance of deputations and their speaking order had been arranged according to the order of their registration with the Secretariat.

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33. To allow sufficient time for discussion, the Chairman decided to extend the meeting for 15 minutes beyond the appointed end-time. Subsequently, to complete the discussion and with the consent of all members present, the Chairman further extended the meeting for about five more minutes.

Policy on post-secondary education

34. Mr YIP Yee-yin of the Open University of Hong Kong Students' Union referred to the policy of supporting the parallel development of the publicly-funded and self-financing post-secondary education sectors, and considered that the publicly-funded and self-financing post-secondary sectors had not complemented each other. He was concerned about the development of the self-financing post-secondary sector due to the lack of resources allocated for this purpose. The Chairman sought further explanation from the Administration on its policy stance.

35. In this regard, DS(Ed)1 advised that the publicly-funded and self-financing post-secondary sectors complemented each other in terms of the provision of post-secondary programmes. By responding quickly to changing society needs, the self-financing sector played an important role by offering a wide array of programmes for school leavers, the workforce and the community at large.

Recognition of qualifications and articulation pathways

36. Ms Cyd HO said that according to her understanding, some post-secondary institutions had to beef up the English standard of their students by arranging additional English courses, some of which were pitched at the secondary level. Ms HO was concerned that this might be indicative of the quality of some self-financing programmes which fell below the acceptable standard. Noting from some deputations that there had been cases in which students who had satisfactorily completed programmes at Qualifications Framework ("QF") Level 3 had not been able to articulate to programmes at QF Level 4, she expressed concern about the recognition of qualifications awarded by self-financing post-secondary institutions and whether prospective students were adequately apprised of the articulation pathways available for their proposed course of study. In this connection, Mr Charles MOK invited deputations to share their views and some actual examples in this aspect.

37. At the invitation of the Chairman, Mr TAM Lok-kei of "關注副學位大聯盟" said that the Advanced Diploma programmes offered by the

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self-financing community colleges of Lingnan University in 2012 had been designated as associate degree and higher diploma programmes, the qualifications of which should be pegged to QF Level 4. However, students who had satisfactorily completed these Advanced Diploma programmes could only apply for associate degree and higher diploma programmes instead of articulating to senior-year undergraduate programmes. Mr TAM was concerned about the lack of recognition for the qualifications in question.

38. Mr CHAN Man-wai of 18 Districts Poor Associate Degree Student Union of HK said that some students had found that their academic standard might not match with the self-financing post-secondary programmes they had enrolled. Miss HUI Wun-wun pointed out that learning diversity among students might be a problem in self-financing post-secondary institutions, as evidenced in the language proficiency of the students admitted to the same programme, which might range from Level 2 to Level 4 attained in language subjects in the Hong Kong Diploma of Secondary Education Examination.

39. Mr YIM Chi-wing of HKCT Action noted with concern that students who had completed the Diploma programmes at QF Level 3 offered by HKCT were deprived of articulation pathways due to the institution's decision not to offer certain Higher Diploma programmes at QF Level 4, such as the Higher Diploma programme in Applied Psychology, in the 2014-2015 academic year. Mr David CHU Wai-chung of "大專政改關注組" gave the example of a student who had completed the Diploma programme in the public and social services discipline in HKCT and attained a Grade Point Average of 3.9. Notwithstanding such attainment, his application for admission to a programme at QF Level 4 offered by another institution was not successful. He was concerned about the recognition of qualifications among post-secondary institutions for the purpose of articulation.

40. DS(Ed)1 advised that under QF, EDB had promulgated the policy and principles for credit accumulation and transfer, under which the quality-assured qualification previously acquired by a person might be recognized for credit transfer to another qualification. Information on quality-assured qualifications and the respective institutions awarding such qualifications were listed on the Qualifications Register. Subject to the accreditation of HKCAAVQ, individual institutions could offer articulation programmes at different QF levels and determine the number of places and the respective admission requirements. Information on the articulation programmes offered would be promulgated by the institutions

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concerned. DS(Ed)1 further said that the bachelor's degree qualifications awarded by self-financing institutions with the accreditation by HKCAAVQ and the bachelor's degree qualifications awarded by UGC-funded institutions were both recognized under QF at Level 5. At the request of the Chairman, the Administration agreed to provide further information in writing regarding the concerns raised by Mr YIM and Mr CHU after obtaining relevant information from the institution concerned.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(4)750/14-15 (01) on 8 April 2015.)

Disclosure of financial information by institutions

41. Mr David CHU Wai-chung of "大專政改關注組" noted the Administration's explanation earlier that the setting up of the Concourse website aimed to enhance the transparency of the self-financing post-secondary sector. He stressed that students' main concern was not the publication of information on individual self-financing post-secondary institutions on the Internet. The crux of their concern was the transparency of the financial position of the institutions and the publication of financial information at an appropriate level of details to include, for example, the proportion of income from tuition fees and enrolment deposits. In this regard, Dr Helena WONG remarked that students were usually not informed of the mechanism adopted by the institutions to set the levels of tuition fees.

42. In response, DS(Ed)1 said that the setting up of the Concourse website was one of the means to enhance the transparency. The Administration was aware of calls on self-financing institutions to disclose more information on their financial position to meet the needs of different stakeholders. On account of the views expressed at this and the previous meeting sessions, CSPE would study the matter and consider the views collected during public consultation very carefully before finalizing the relevant provisions in the Code of Good Practices.

43. Mr CHEUNG Sau-yin of the Students' Union of the Chinese University of Hong Kong said that the financial statements published by UGC-funded institutions had not categorically set out information on the income and expenditure of the self-financing community colleges under their aegis. He expressed concern about the lack of transparency of the financial position of these self-financing community colleges. In this connection, DS(Ed)1 clarified that UGC-funded institutions were not

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allowed to deploy any of their government funding to subsidize their self-financing programmes. They were also required to prepare separate financial statements in respect of their publicly-funded and self-financed operations.

Legislation governing the self-financing post-secondary education sector

44. Dr Helena WONG and the Deputy Chairman considered that PSCO was outdated and urged for its early amendment so that the governance of institutions could be enhanced, notably by including student representatives on their governing bodies. Mr CHAN Man-wai of 18 Districts Poor Associate Degree Student Union of HK supported early amendments to PSCO to strengthen the regulation on the self-financing post-secondary sector.

45. DS(Ed)1 advised that the institutions in the self-financing post-secondary education sector were diverse in operation scale and stage of maturity. Having regard to overseas experience, it was noted that apart from the legislative approach, the adoption of the Code of Good Practices was also an effective means to promote the healthy development of the sector through enhancing governance and quality assurance. DS(Ed)1 said that CSPE would monitor the implementation of the Code of Good Practices and review its effectiveness in due course.

46. Mr AU Wai-keung of Hang Seng Management College Students' Union questioned the effectiveness of the Code of Good Practices as its adoption was voluntary. He referred to OUHK, which had its own governing statute, and considered that similar institution-specific legislation should be introduced for other self-financing post-secondary institutions. Meanwhile, the Administration might also consider amending PSCO to require institutions to disclose their financial information and to provide for the inclusion of representatives from different stakeholders on their governing bodies.

47. Mr Timothy LEE Ho-yin said that the Community College of City University of Hong Kong had recently formed an alliance with an overseas university. The newly-formed institution would no longer be subject to the regulation of PSCO and the programmes to be offered would be non-local programmes to be registered under the Non-local Higher and Professional Education (Regulations) Ordinance ("NHPEO") (Cap. 493). Mr LEE was concerned that more similar alliances would be formed among local and overseas institutions, with the result that the regulatory requirements under PSCO would be bypassed.

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48. In this connection, DS(Ed)1 advised that it was necessary for the non-local higher education programmes to fulfil specified requirements before they could be registered under NHPEO. In addition, the programme providers might seek accreditation by HKCAAVQ to further promote the recognition of the qualifications locally for articulation or employment purposes.

Support for institutions and students

49. In view of the sound fiscal position of the Government, the Deputy Chairman suggested that the 2015-2016 Budget should provide a one-off subsidy of \$30,000 to each student pursuing self-financing post-secondary programme so as to alleviate the financial burden of students. The total estimated expenditure for the proposed subsidy would be about \$2.5 billion, which would be minimal when compared to the surplus of the Government in excess of \$60 billion. He asked EDB to convey his suggestion to the Financial Secretary.

50. Ms Cyd HO and Dr Helena WONG expressed concerns about the substantial amount of loans borrowed by students from SFAA and the heavy burden of loan repayment after graduation. Ms HO supported the Deputy Chairman's suggestion of providing a one-off subsidy to students pursuing self-financing post-secondary programmes. To alleviate students' financial burden, Dr WONG said that the Administration should consider the feasibility of relief measures such as issuing education vouchers to students to defray the fees for self-financing programmes, as well as increasing the number of publicly-funded first-year-first-degree places.

51. Mr CHAN Man-wai of 18 Districts Poor Associate Degree Student Union of HK considered that the Administration should impose a ceiling on the levels of tuition fees for self-financed post-secondary programmes; or regulate the profits that could be generated or received by the self-financing institutions.

52. DS(Ed)1 re-affirmed that it was the Government's policy to support the parallel development of both the publicly-funded and self-financing post-secondary education sectors. Currently, a number of assistance schemes administered by SFAA were in place to provide financial assistance to needy post-secondary students pursuing publicly-funded and self-financing programmes.

53. In conclusion, the Chairman thanked the deputations for attending the meeting and sharing their views and concerns.

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II. Any other business

54. There being no other business, the meeting ended at 1:06 pm.

Council Business Division 4
Legislative Council Secretariat
14 April 2015

Panel on Education

Special meeting on Saturday, 7 February 2015, at 9:00 am

Meeting to receive views on Issues related to the regulation, governance and quality assurance of the self-financing post-secondary sector with reference to the Report of the consultancy study on "Local and International Good Practices in the Governance and Quality Assurance of the Self-financing Post-secondary Education Sector"

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission/Major views and concerns
<u>Session One</u>		
1.	Hong Kong Institute of Technology	The institution was broadly supportive of the principles underpinning the draft Code of Good Practices on Governance and Quality Assurance for the self-financing post-secondary sector ("Code of Good Practices"). However, it had reservation on the requirement to disclose financial information and considered that the Committee on Self-financing Post-secondary Education should further deliberate on this requirement before finalizing the Code of Good Practices. To prevent unhealthy competition among self-financing institutions, the Government should critically examine whether or not to approve new self-financing post-secondary institutions offering programmes that had already been offered by existing institutions. It urged the Government to review the implementation of the Study Subsidy Scheme for Designated Professions/Sectors ("SSSDP") and extend the scheme to cover programmes in other disciplines.
2.	The Chinese University of Hong Kong ("CUHK")	The institution supported the promulgation of the Code of Good Practices. CUHK had put in place mechanisms and measures to safeguard quality assurance of its self-financing programmes. On financial aspects, there was no cross-subsidy between its University Grants Committee("UGC")-funded and self-financing operations. It also provided scholarships and academic advisory service to students pursuing self-financing programmes.
3.	The Hong Kong Polytechnic University	Presentation of views as detailed in the submission [LC Paper No. CB(4)428/14-15(02)]
4.	Hong Kong Nang Yan College of Higher Education	Presentation of views as detailed in the submission [LC Paper No. CB(4)482/14-15(01)]
5.	City University of Hong Kong	Presentation of views as detailed in the submission [LC Paper No. CB(4)428/14-15(03)]

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6.	New People's Party	The deputation welcomed the future promulgation of the Code of Good Practices to enhance governance and transparency of the self-financing post-secondary sector. Self-financing post-secondary programmes should aim to meet the demand for quality post-secondary education rather than for profit-making purpose. It urged the Government to review its policy and regulation on post-secondary education so as to sustain the healthy development of the sector in the long run.
7.	Yew Chung Community College	Presentation of views as detailed in the submission [LC Paper No. CB(4)428/14-15(04)]
8.	Hong Kong College of Technology ("HKCT")	The institution expressed its concern about the recognition of sub-degree qualifications awarded by local self-financing institutions in the Mainland and overseas countries. Noting that SSSDP only covered undergraduate programmes, the institution was of the view that the Administration should also consider subsidizing students pursuing self-financing sub-degree programmes. It also urged the Administration to take measures to improve the operating environment of the self-financing institutions.
9.	Hong Kong Baptist University	Presentation of views as detailed in the submission [LC Paper No. CB(4)428/14-15(05)]
10.	SCAD Hong Kong	Presentation of views as detailed in the submission [LC Paper No. CB(4)428/14-15(06)]
11.	DAB	The deputation noted the proliferation of self-financing post-secondary programmes in the last decade, and was concerned that their operation had become increasingly profits-oriented. It stressed the importance of quality assurance of the programmes offered by self-financing post-secondary institutions. The deputation highlighted that the Concourse website should provide more comprehensive information on the self-financing post-secondary institutions and the sector instead of merely providing hyperlinks to other websites.
12.	HKCT Institute of Higher Education	The institution agreed with the direction and framework of the draft Code of Good Practices. It was of the view that flexibility should be allowed on the adoption of the Code of Good Practices with reference to the diversity in background and scale of operation among institutions. The institution was concerned about the level of details of financial information to be disclosed to the public. It highlighted the need to put in place a common forum for self-financing post-secondary institutions to exchange views. On the admission of non-local students, the institution urged for a review on the upper limit of approved intake places for non-local students so as to facilitate the internationalization of the self-financing post-secondary sector.

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13.	The University of Hong Kong / HKU SPACE Po Leung Kuk Community College	Presentation of views as detailed in the submission [LC Paper No. CB(4)467/14-15(01)]
14.	Hong Kong Council for Accreditation of Academic & Vocational Qualifications	The Council was the quality assurance body for self-financing post-secondary institutions without self-accrediting status. It conducted accreditation and institutional reviews on the governance and quality assurance of these institutions, the effectiveness of their mechanisms as well as their capability of the institutions to maintain the quality of their programmes. It would keep in view the adoption of the Code of Good Practices and its impact, if any, on the operation of the self-financing post-secondary institutions.
15.	Hong Kong Professional Teacher's Union	Presentation of views as detailed in the submission [LC Paper No. CB(4)462/14-15(02)]
16.	The Open University of Hong Kong ("OUHK")	Presentation of views as detailed in the submission [LC Paper No. CB(4)483/14-15(01)]
17.	The Student Union of Hong Kong Shue Yan University	The deputation was concerned about the lack of transparency of private universities and self-financing post-secondary institutions. It urged the Administration to introduce institution-specific legislation for these institutions and to establish a committee similar to UGC to oversee the non-UGC-funded post-secondary institutions.
18.	The Hong Kong University of Science and Technology	Presentation of views as detailed in the submission [LC Paper No. CB(4)428/14-15(07)]
19.	Civic Party	Presentation of views as detailed in the submission [LC Paper No. CB(4)482/14-15(02)]
20.	Shue Yan Umbrella Alumni Association	The deputation welcomed the publication of the Consultation Study Report and the future promulgation of the Code of Good Practices. It urged for early amendments to the Post Secondary Colleges Ordinance ("PSCO") (Cap. 320) so that the governance of private universities and self-financing institutions could be enhanced, notably by including student representatives on their governing bodies. In the long run, the Administration should consider whether legislation should be enacted so that each institution would be governed by its own ordinance. It considered that the Administration should provide more financial support to self-financing post-secondary institutions and their students.
21.	Hang Seng Management	Presentation of views as detailed in the submission [LC Paper

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	College	No. CB(4)428/14-15(09)]
<u>Session Two</u>		
22.	關注副學位大聯盟	Presentation of views as detailed in the submission [LC Paper No. CB(4)428/14-15(10)]
23.	Mr Timothy LEE Ho-yin	Presentation of views as detailed in the submission [LC Paper No. CB(4)483/14-15(02)]
24.	Labour Party	The deputation was concerned about insufficient publicly-funded undergraduate places for secondary school graduates. It considered self-financing post-secondary institutions highly profits-oriented and there was a lack of transparency in their operation. It was necessary to enhance the regulation of the institutions in their use of funding.
25.	Miss TJHAN Pauline Jessica Hillary	She was concerned about the lack of transparency of the financial position of the self-financing post-secondary institutions and their mechanism for adjusting the levels of tuition fees. She also urged for early amendments to PSCO so that the governance of the self-financing institutions could be enhanced.
26.	Miss TANG Ka-yi	She expressed her concerns about the lack of transparency in the governance of self-financing post-secondary institutions. With reference to OUHK which had its governing ordinance, she considered it necessary to introduce institution-specific legislation requiring the self-financing institutions to include student representatives on their governing bodies.
27.	Miss YUEN Ka-wai	She was concerned about the lack of transparency of the self-financing post-secondary institutions in their use of funding. She considered that with the implementation of SSSDP, self-financing post-secondary education had become vocational education for certain selected sectors. Unfairness would be caused to other students who aspired to pursue programmes in other disciplines, such as humanities, which were not subsidized under SSSDP.
28.	Hang Seng Management College Students' Union	The deputation considered that amendments to PSCO were necessary so that the governing body of each self-financing post-secondary institution would comprise an appropriate mix of stakeholders including representatives of students and academic staff. The Administration should strengthen the regulation of self-financing institutions either by amending PSCO or introducing institution-specific ordinance for individual institutions.

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29.	The Open University of Hong Kong Students' Union	The deputation considered that the Administration should consider introducing institution-specific legislation similar to the arrangement for OUHK. Noting that there were inter-institutional arrangements that allowed students of one UGC-funded institution to use the facilities of the other UGC-funded institutions, the deputation remarked that no similar arrangement was in place among self-financing institutions. The deputation urged the Administration to consider providing subsidy to all students pursuing self-financing post-secondary programmes.
30.	Hong Kong Shue Yan University Student Union Council	The deputation was concerned about the efficacy of the Code of Good Practices as its adoption by self-financing post-secondary institutions was on voluntary basis. To enhance transparency and governance of self-financing institutions, it urged for early amendments to PSCO.
31.	Student Union of Chu Hai College of Higher Education	The deputation was deeply concerned about the lack of regulation on the composition of the governing bodies of self-financing institutions and on their mechanism of adjusting tuition fees. In its view, the governing body of an institution should comprise a majority of members who were stakeholders within the institution, as they were most familiar with the operation and development of the institution. The Administration should consider requiring the institutions to disclose financial information and promulgate the mechanism for setting tuition fees.
32.	Tung Wah College Students' Union	Given that the tuition fees for completing a self-financing undergraduate programme in medical science or health science might amount to about \$460,000, the deputation considered that the current maximum loan amount of \$325,700 under the Non-means-tested Loan Scheme for Post-secondary Students was insufficient to cover the expenses of students pursuing such programmes. The deputation noted that the Joint Committee on Student Finance, a non-statutory advisory committee to advise the Government on the operation of financial assistance schemes for students of publicly-funded institutions, included student representatives from publicly-funded institutions. However, no similar advisory body had been put in place for the self-financing sector. The deputation was also concerned about the lack of regulation and transparency of self-financing institutions, in particular on the mechanism for setting tuition fees.
33.	Mr CHAN Hiu-yeung	He expressed concern about the high tuition fees and sharp increase in tuition fees of self-financing post-secondary programmes, as well as the lack of transparency in the financial information of self-financing institutions. He urged for early amendments to PSCO so that institutions would be required to

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		include student representatives on their governing bodies and to disclose detailed financial information to the public. The Administration should also consider specifying a ceiling on the levels of tuition fees for self-financing post-secondary programmes.
34.	Mr LAI Man-lok	He opined that the non-attendance of the Secretary for Education ("SED") and the absence of a majority of Panel members reflected their indifference to the concerns of deputations. He expressed his concern about the lack of articulation pathway for students who had completed the Diploma programme at Qualifications Framework ("QF") Level 3 offered by HKCT. The articulation of programmes offered by self-financing institutions should be enhanced.
35.	大專政改關注組學生發展部	The deputation expressed concerns about the substantial amount of loans borrowed by students from the Student Financial Assistance Agency ("SFAA") and the heavy burden of loan repayment after graduation. Noting the lack of transparency of the financial position of the self-financing institutions and their mechanism for adjusting tuition fees, the deputation urged the Administration to specify a ceiling on the levels of tuition fees or to freeze the levels of fees for a certain period. The deputation was concerned about the insufficient provision of subsidized senior-year undergraduate places for articulation of students who had successfully completed self-financing sub-degree programmes.
36.	大專政改關注組	The deputation did not consider that the launch of the Concourse website was sufficient in enhancing transparency of the self-financial post-secondary sector. The deputation expressed concerns about the substantial amount of loans borrowed by students from SFAA and the heavy burden of loan repayment after graduation. The Administration should review and amend PSCO to keep pace with the development of the self-financing post-secondary sector.
37.	HKCT Action	The deputation expressed its regret at the non-attendance of SED at the second session of this meeting. The deputation was of the view that the self-financing post-secondary institutions were highly profits-oriented operation. There was a lack of transparency as evidenced by the practice of increasing tuition fees without providing any explanation to students on the use of funding. It strongly urged that self-financing institutions should be obligated to disclose their financial statements to the public instead of merely on a voluntary basis.
38.	Miss HUI Wun-wun	She highlighted that students did not have any opportunity to participate in the governance of self-financing post-secondary

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		institutions. In her view, the governing bodies of self-financing institutions should include student representatives. She referred to her own experience and reiterated concerns about the substantial amount of loans borrowed by students from SFAA and the heavy burden of loan repayment in future. She considered it incumbent upon self-financing institutions to enhance the transparency of their financial position.
39.	18 Districts Poor Associate Degree Student Union of HK	The deputation was deeply concerned about the proliferation of self-financing study programmes and the commercialization of the sector in seeking to meet the target that 60% of the relevant cohort of young people should have access to post-secondary education. The Administration should specify a ceiling on the levels of tuition fees for self-financed post-secondary programmes; or regulate the profits that could be generated or received by the self-financing institutions.
40.	教育面前窮人含忍連線	The deputation depicted the heavy financial burden of students pursuing self-financing post-secondary programmes, and noted with regret cases in which students committed suicide due to financial and academic pressure. It urged for an increase in publicly-funded undergraduate places to meet the demand for university education.
41.	Social Science Society of CIHE	The deputation expressed its concern about the high tuition fees for pursuing self-financing post-secondary programmes, which might amount to over \$400,000. It urged the Administration to increase publicly-funded undergraduate places.
42.	Mr FUNG Ka-lok	He criticized that the quality of some self-financing post-secondary programmes was below the acceptable standard. As a result, the programmes in question recorded high drop-out rates and low attendance, which would ultimately affect the teaching and learning environment. He urged for the establishment of an oversight body to regulate the quality of programmes and oversee the operation of self-financing post-secondary institutions.
43.	The Students' Union of the Chinese University of Hong Kong	The deputation was disappointed that SED did not attend the second session of this meeting and that very few Panel members were present to listen to the views of deputations. It considered that the annual reports published by self-financing post-secondary institutions, such as that of the School of Continuing and Professional Studies of CUHK, consisted mainly of advertisements to promote the institutions, rather than disclosing sufficient information on its financial position. The deputation was concerned about the commercialization and lack of transparency of the institutions.
44.	Democratic Party	Presentation of views as detailed in the submission [LC Paper No. CB(4)462/14-15(03)]

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