

立法會 *Legislative Council*

LC Paper No. CB(2)1455/05-06(01)

Ref : CB2/PL/ED

Panel on Education

Background brief prepared by the Legislative Council Secretariat for the meeting on 27 March 2006

Provision of sub-degree places for secondary school leavers

Purpose

This paper summarises the deliberations of the Panel on Education and its Subcommittee on Increase in Post-secondary Education Opportunities on the provision of sub-degree places for secondary school leavers.

Background

2. In his 2000 Policy Address, the Chief Executive announced the Government's commitment to enable 60% of senior secondary school leavers to have access to tertiary education by 2010. To achieve the policy target, the Administration undertook to facilitate tertiary institutions, private enterprises and other organisations to provide options other than traditional sixth form education, such as professional diploma courses, and to allocate more resources by providing land and one-off loans to those institutions interested in offering such courses. The Administration also undertook to extend the scope of assistance offered to students under the Non-means-tested Loan Scheme and low interest loan scheme, and to offer fee remission to the most needy students. The Panel set up the Subcommittee on Increase in Post-secondary Education Opportunities on 23 April 2001 to consider the subject in detail.

3. In May 2001, the Secretary for Education and Manpower (SEM) commissioned the University Grants Committee (UGC) to launch a review of higher education in Hong Kong. UGC published the review report entitled "Higher Education in Hong Kong (the Report)" in March 2002 for public consultation. One of the recommendations of UGC adopted by the Executive Council was that taught postgraduate and sub-degree programmes should be put on a self-financing basis gradually, subject to specified exceptions.

Deliberations of the Panel and the Subcommittee

4. The Subcommittee held two meetings with the Administration and met with four educational groups to discuss issues relating to the increase in post-secondary educational opportunities. The Panel also held several meetings to discuss the matter. The deliberations of the Subcommittee and the Panel on issues relating to the provision of sub-degree places are summarised in the following paragraphs.

Planning target of post-secondary education

5. All the educational groups received by the Subcommittee expressed support for the direction of widening access to higher education. Members in general supported the policy direction of expanding the provision of post-secondary education. They, however, noted that at 2001, only 30% of the 17 to 20 age cohort had access to local, publicly-funded higher education. The Government would need to provide post-secondary education opportunities for around 30 600 students by 2010-11 to keep in pace with the projected population increase. Members had reservations about whether such a drastic increase in post-secondary education opportunities was practicably achievable.

6. The Administration had explained that although the Education Commission had not discussed the target, the need to upgrade human resources in order to maintain the competitive edge of Hong Kong was widely recognised by the community. The relevant percentages in the United States, Taiwan and Singapore were 80%, over 70% and 60% respectively. The Administration considered that the target of 60% was a prudent figure. It was only an indicative target and would be reviewed in five years' time.

Self-financing of sub-degree programmes

7. According to the Administration, one of the ways to achieve the target was to substantially increase self-financing sub-degree places. One of the recommendations agreed to by the Executive Council was that taught postgraduate and sub-degree programmes should be put on a self-financing basis gradually, subject to specified exceptions. The exceptions were courses that required high start-up and maintenance costs or access to expensive laboratory/equipment; courses that would meet specific manpower needs; and courses that could be regarded as endangered species, i.e. courses that lacked market appeal to the provider and the average student such as pure arts and science.

8. Both the Panel and the Subcommittee had discussed the impact of the self-financing policy for the sub-degree sector. Members had expressed divergent views on the issue. Mr Tommy CHEUNG considered that in view of the resources constraints, the Liberal Party supported that new sub-degree programmes should be operated on a self-financing mode. Other members, including Mr CHEUNG Man-kwong, Dr YEUNG Sum and Mr LEUNG Yiu-chung, were concerned that

the policy to provide 82% subsidy to first-year-first-degree programmes and no subsidy to sub-degree programmes was discriminatory against sub-degree students. These members considered that the self-financing policy for sub-degree programmes would deprive students from less well-off families of the opportunities to pursue further studies. It would also create social differentiation and affect social mobility for students of the low-income families.

9. The Administration had pointed out that there were many sub-degree programmes in the market which were operated on a self-financing basis. The savings recovered from the sub-degree sector would be ploughed back mainly to benefit students in the sub-degree sector through measures such as improving the package of financial assistance to students of self-financing courses. The policy to fund undergraduate programmes did not contradict the policy to require sub-degree programmes to be self-financing. The Administration considered it unnecessary to adopt the same subsidisation policy for both the degree sector and the sub-degree sector because the programmes were different. There was no question of sub-degree students being treated unfairly.

10. Regarding members' concern about depriving students from less well-off families of the opportunities to pursue further studies, the Administration had responded that instead of subsidising UGC-funded institutions in the provision of sub-degree programmes, it would be more appropriate to use the resources to subsidise students who were in need of some form of financial assistance. The pursuit of post-secondary education was to a large extent an investment for enhancing one's career development opportunities. Individuals who had the financial means should contribute to their own advancement, while the Administration would provide grants and low interest loans to needy students.

Existing sub-degree programmes

11. Members of the Panel expressed concern about the impact of self-financing policy on the existing publicly-funded sub-degree programmes provided by the City University of Hong Kong (CityU) and the Hong Kong Polytechnic University (PolyU). They were concerned, in particular, about the long-term viability of these programmes and the impact on staff members who had made substantial contribution to the development of these programmes. Some members considered that the Administration should continue to subsidise existing sub-degree programmes with a long and reputable history.

12. At its meeting on 30 June 2003, the Panel passed a motion calling upon the Administration to provide resources to assist CityU and PolyU in continuing their provision of existing sub-degree programmes to perform the educational duties they had been shouldering since the founding of the institutions. At another meeting of the Panel on 17 November 2003, members urged the Administration to identify a suitable site and provide CityU with sufficient start-up loans for the construction of a new community college and facilities to house an associate degree population of around 5 000 students. Members also requested the

Administration to allow a period of 20 years or longer for the repayment of start-up loans and extend the transitional period for withdrawal of funding support for 13 associate degree programmes of CityU from four to six years.

13. The Administration's view was that with an expanding post-secondary sector, there was a need to free up resources so that more students could benefit from public subsidy in one form or another. The Administration aimed to ensure a more equitable distribution of public resources within a reasonable time frame. The timetable for withdrawing funding support for the sub-degree programmes in CityU and PolyU was recommended by a specialist group set up by UGC based on the same objective criteria and having regard to the institutions' views. The Administration saw no justifications to disregard the recommendations of the specialist group.

14. The Administration also explained that the Government had an established policy to assist self-financing institutions in the provision of post-secondary programmes. Assistance was available in the form of land grant at nominal premium, interest-free loans for the construction of campus and accreditation grants. As an education provider offering self-financing programmes, CityU was welcome to submit applications to the Government in accordance with the established procedures. The Administration would continue to search for and identify suitable sites of different sizes to meet the different requirements of course providers.

15. As regards a review of the policy on repayment period for start-up loans, the Administration responded that the current repayment period was 10 years. The current terms of loans approved by the Finance Committee on 6 July 2001 were reasonable and practical. The repayment periods for start-up loans granted so far were all set at 10 years, and the institutions concerned had all expressed confidence to settle the loans in 10 years. Prolonging the current repayment period from 10 to 20 years or longer would have financial implications for the Government.

16. At members' request, the Administration agreed to collaborate with the CityU Management to identify a suitable site for the construction of a new college campus and facilities for CityU to provide quality associate degree programmes on a self-financing basis in the long run.

Quality of sub-degree programmes

17. Members considered that it was crucial to ensure the quality of the post-secondary programmes while increasing the tertiary education opportunities. They suggested that the Administration should work out a quality assurance mechanism to ensure the quality of self-financing sub-degree programmes and their graduates, in particular, the quality of programmes offered by non-self-accrediting institutions.

18. The Administration had responded that various measures were being considered to assure the quality of sub-degree programmes, including -

- (a) establishing a two-tier regulatory framework consisting of registration and accreditation. Registration would provide a legal basis for post-secondary courses to be offered, and accreditation would bear a quality label; and
- (b) maintaining a register of accredited courses for public reference. The register would serve a guide for students who required financial assistance and protect them from the marketing of substandard courses.

19. Members noted the Administration's collaboration with UGC, self-accrediting institutions, the Hong Kong Council for Academic Accreditation (HKCAA) and relevant professional bodies to work out the regulatory framework. Statutory institutions with self-accrediting status had their internal quality assurance mechanisms to accredit its sub-degree programmes, while sub-degree programmes offered by other institutions (non-self-accrediting institutions) had to be accredited by approved accreditation bodies such as HKCAA and statutory professional bodies. The Administration had established an accreditation grant scheme to provide one-off grants to non-self-accrediting institutions to meet the cost of academic accreditation.

20. The Administration informed members that it had commissioned the Federation for Continuing Education in Tertiary Institutions (the Federation) to conduct a study to draw up a set of common descriptors for associate degree and equivalent qualifications, having regard to international practices. HKCAA had conducted a similar study and its recommendations on the common descriptors were broadly the same as those of the Federation. Both had agreed to conduct accreditation of different courses on the basis of these common descriptors. Hence, all local associate degree courses would adopt the same set of common descriptors. Those failing to comply with these descriptors would not be accredited.

21. Some members had expressed concern whether self-financing associate degree programmes would be recognised for the purposes of employment and further studies, such as direct entry to second or third year of undergraduate programmes in local or overseas universities. The Administration had advised that it was supportive of the recommendation of HKCAA and the Federation that the academic level of associate degree should be considered as equivalent to that of the higher diploma for employment purpose in both the public and the private sectors. Graduates of associate degree programmes would be considered for entry to senior years of undergraduate programmes in local universities, and might further their studies or pursue professional development on a full-time or part-time basis through credit transfer, articulation and direct admission arrangements between providers and local or overseas universities. The Administration would endeavour

to increase places in the second and third year of the undergraduate programmes by phases for enrolment of sub-degree programme graduates in the 2005-08 triennium.

Support measures

22. To achieve the progressive increase in post-secondary education, members supported the following two forms of assistance provided by the Administration -

- (a) assistance to students: this included providing means-tested grants to the most needy students; means-tested, low-interest loans payable at 2.5% per annum to other needy students to cover the full amount of tuition fee subject to a proposed ceiling of \$60,000; and non-means tested loans to all other students; and
- (b) assistance to course providers: this included providing loans to support the start-up cost of non-profit-making post-secondary course providers; and land at a nominal premium for the construction of new post-secondary colleges.

23. On assistance offered to course providers, members had expressed concern that existing self-financing providers of tertiary education might not have the capacity to provide full-time post-secondary education which required a campus environment with library, study, counselling, sports and other supporting facilities. They also expressed doubts about the feasibility to increase the provision of courses on a self-financing basis with one-off start-up assistance because courses in certain disciplines were expensive to run.

24. The Administration had advised that after careful consideration of concrete data relating to the estimated number of students, teachers and space requirements etc, it had reached a consensus with the Federation that offering interest-free loans should be adequate. A two-staged approach in offering loan assistance for providers would be adopted. This would allow some time for providers to test the market, particularly those without a solid academic status. For such institutions, the initial loan would be calculated with reference to the rental cost of the initial period, plus renovation and equipment expenses. A higher loan amount for laboratory-based science and technology disciplines would be allowed as they were likely to involve more capital investment. After the providers had built up a solid track record in running sub-degree programmes, the Administration would consider a more substantial loan for building or buying college premises as a longer-term measure. For the more established or self-accrediting institutions, the Administration would consider providing a more substantial loan in the first instance.

Relevant papers

25. A list of relevant papers on the LegCo website is in **Appendix I**. A list of relevant motions moved and questions raised at Council meetings is in **Appendix II**.

Council Business Division 2
Legislative Council Secretariat
23 March 2006

**List of minutes and relevant papers discussed by
Panel on Education / Subcommittee on Increase in
Post-secondary Education Opportunities (The Subcommittee)
relating to provision of post-secondary education**

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
13.10.2000	Panel on Education	Minutes of meeting	CB(2)276/00-01
23.4.2001	Panel on Education	Minutes of meeting	CB(2)1829/00-01
		Administration's paper on "Increase in Post-secondary Education Opportunities"	CB(2)1317/00-01(03)
15.5.2001	The Subcommittee	Minutes of meeting	CB(2)2385/00-01
1.6.2001	The Subcommittee	Minutes of meeting	CB(2)185/01-02
		Administration's paper on "Subcommittee on increase in post-secondary education opportunities"	CB(2)1664/00-01(02)
		Administration's supplementary information on the issues set out in Clerk to Subcommittee's letter dated 1 June 2001.	CB(2)1800/01-02(01)
26.3.2002	Panel on Education	Minutes of meeting	CB(2)2174/01-02
		The Report on Higher Education in Hong Kong	Report
7.5.2002	Panel on Education	Minutes of meeting	CB(2)2339/01-02
13.5.2002	Panel on Education	Minutes of meeting	CB(2)2340/01-02
2.12.2002	Panel on Education	Minutes of meeting	CB(2)901/02-03

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
		Legislative Council Brief on "Higher Education Review and rolling over the 2001-02 to 2003-04 triennium to the 2004-05 academic year"	EMB CR 3/21/2041/89
20.1.2003	Panel on Education	Minutes of meeting	CB(2)1177/02-03
		Administration's paper on "Accreditation Grant for Post-Secondary Programme Providers"	CB(2)894/02-03(01)
30.6.2003	Panel on Education	Minutes of meeting	CB(2)3057/02-03
		Administration's paper on "Review of the funding of sub-degree programmes"	CB(2)2662/02-03(01)
20.10.2003	Panel on Education	Minutes of meeting	CB(2)341/03-04
		Administration's paper on "Future provision of associate degree programmes in the City University of Hong Kong"	CB(2)111/03-04(01)
17.11.2003	Panel on Education	Minutes of meeting	CB(2)636/03-04
		Administration's paper on "Future provision of associate degree programmes in the City University of Hong Kong"	CB(2)111/03-04(01)

Appendix II

List of questions raised / motions moved at Council meetings relating to provision of post-secondary education since the first term of the Legislative Council

Meeting Date	Question/Motion
27.6.2001	Hon CHEUNG Man-kwong moved a motion on "Increasing the opportunities for tertiary education". [Hansard (page 196 - 254)]
21.11.2001	Hon SIN Chung-kai raised a written question on "Provision of Sub-degree and High Diploma IT-related Programmes". [Hansard (page 76 – 79)]
6.3.2002	Hon CHEUNG Man-kwong raised a written question on "Recognition of Associate Degree Programmes". [Hansard (page 11 – 13)]
6.3.2002	Hon Frederick FUNG raised a written question on "Associate Degree and Higher Diploma Programmes". [Hansard (page 13 – 15)]
13.3.2002	Hon CHEUNG Man-kwong raised a written question on "Courses at Diploma to Degree Levels Conducted by Local and Non-local Education Institutes". [Hansard (page 55 – 57)]
12.6.2002	Ir Dr Hon Raymond HO Chung-tai moved a motion on "Associate degree". [Hansard (page 83 – 155)]
20.11.2002	Hon CHEUNG Man-kwong raised a written question on "Complaints Against Extra-mural Courses of UGC-funded Institutions". [Hansard (page 59 – 62)]
11.12.2002	Hon WONG Sing-chi raised an oral question on "Funding for Sub-degree Programmes". [Hansard (page 24 – 32)]

Meeting Date	Question/Motion
9.7.2003	Hon SZETO Wah raised an oral question on "Provision of Post-secondary Places". [Hansard (page 53 – 63)
3.12.2003	Hon CHEUNG Man-kwong moved a motion on "Education policy". [Hansard (page 79 – 149)]
9.6.2004	Ir Dr Hon Raymond HO Chung-tai raised a written question on "Dropout of Students of Sub-degree and Degree Programmes". [Hansard (page 78 – 79)]
3.11.2004	Hon Frederick FUNG raised a written question on "Self-financing Courses Operated by Tertiary Institutions". [Hansard (page 75 – 81)]
9.3.2005	Hon CHEUNG Man-kwong raised a written question on "Allowing 60% of Secondary School Leavers to receive Tertiary Education". [Hansard (page 77 – 83)]

Council Business Division 2
Legislative Council Secretariat
23 March 2006