



**Report
of the Phase Two Review
of the
Post Secondary Education Sector**

Steering Committee
Review of the Post Secondary Education Sector
April 2008

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CHAPTER 1 : INTRODUCTION AND OUTCOME OF PHASE 1 REVIEW

Introduction

1.1 Since the announcement in the 2000 Policy Address of the policy objective of enabling 60% of our senior school leavers to receive post-secondary education by 2010, we have witnessed substantial changes in the landscape of Hong Kong's post-secondary education sector, resulting not only in a substantial increase in self-financing post-secondary opportunities but also a wider choice of progression pathways for our school leavers. We now have a vibrant and dynamic post-secondary education sector in Hong Kong.

1.2 To take stock of the development of the post-secondary education sector and map out future directions for development, the then Education and Manpower Bureau (EMB) initiated a Review of the Post-secondary Education Sector in 2005. The Review has been conducted in two phases and overseen by a Steering Committee (SC) chaired by EMB and comprising representatives of service providers, quality assurance agencies and the business community.

Public Consultation on the Phase 1 Review

1.3 Phase 1 of the Review was completed in January 2006, and a Review Report was published for public consultation in March 2006. Recommendations of the Phase 1 Review are at **Annex A**. By the end of the two-month public consultation exercise, five written submissions had been received¹. Four consultation sessions had been held with representatives of the self-financing institutions, sub-degree students, serving teachers and a student concern group separately. The following summarizes the views received:

(a) Policy and Government's Role

1.4 The policy objective of increasing post-secondary education opportunities for secondary school leavers continued to command support.

¹ Written submissions were received from the Hong Kong College of Technology, the Hong Kong Federation of Students, HKU School of Professional and Continuing Education, The Open University of Hong Kong and the Sub-degree Concern Group.

While accepting that the sub-degree sector was predominantly a self-financing sector, some commented that the Government should not leave the long-term development of the sector to market forces entirely, and should step in where there were market inefficiencies or failures.

(b) Supply of post-secondary places

1.5 Most agreed that the policy had encouraged the development of a robust post-secondary education sector within a relatively short period of time. Some however considered that there was already an over-supply of post-secondary places in Hong Kong, which had led to excessive competition and decline in the quality of post-secondary education. Moreover, there were concerns that the over-concentration of sub-degree programmes in certain popular disciplines such as business and marketing might not necessarily reflect and meet the long-term manpower requirements of Hong Kong.

(c) Articulation and Employment

1.6 While the Associate Degree (AD) qualification seeks to prepare graduates for both employment and further studies, the fact is that most sub-degree students aspire to further their studies at the degree level immediately after graduation and hence demanded the provision of more publicly-funded articulation opportunities. Others considered that there was insufficient recognition of the AD qualification by employers even if the graduates intend to seek employment.

(d) Support measures

1.7 Some institutions asked for an extension of the 10-year repayment period of the interest-free start-up loans to relieve their financial burden. Student groups also claimed that about 30% of their tuition fees were being used or reserved by their institutions for repaying loans and other expenses (e.g. paying for the use of university libraries and facilities). As a result, teachers of sub-degree programmes were under-paid which in turn affected teaching and programme quality.

(e) Quality

1.8 Many considered that more emphasis should be placed on enhancing the quality of the sub-degree sector. Some suggested that the Government should set some common benchmarks for compliance by all course providers to ensure an acceptable quality standard.

(f) Student Finance

1.9 Most students welcomed the improvements to the Financial Assistance Scheme for Post-secondary Students (FASP) starting from 2006/07, which have brought grants under FASP on par with those under the Tertiary Student Finance Scheme – Publicly-funded Programmes (TSFS)². Nonetheless, students suggested further improvements to FASP. In particular, they requested the provision of means-tested loans under FASP to cover living expenses and that financial assistance should be extended to cover self-financing top-up degree studies.³

Phase 2 Review

1.10 Taking into account the views received during the public consultation exercise, the SC was reconvened in September 2006 to conduct the Phase 2 Review. Its Membership and Terms of Reference are at **Annex B**. The SC had deliberated on the following issues during the Phase 2 Review-

- Development of the Self-financing Sub-degree Sector
- Positioning and Value of the Sub-degree Qualifications
- Quality Assurance and Enhancement
- Government's Support Measures
- Student Finance
- Employment and Articulation opportunities
- Legislative and Regulatory Framework

1.11 The ensuing Chapters summarize the deliberations and recommendations of the SC. We would like to thank members of the SC for their contributions and advice.

² TSFS provides means-tested assistance to needy full-time students who take up publicly-funded student places at the University Grants Committee (UGC)-funded institutions, the Hong Kong Institute of Vocational Education, the Prince Philip Dental Hospital and the Hong Kong Academy for Performing Arts. FASP was introduced in 2001 for full-time students pursuing locally-accredited, self-financing post-secondary programmes leading to a sub-degree or higher qualification.

³ At present, students who have obtained any sub-degree or above qualification are **not** eligible for financial assistance under FASP to support their degree or top-up degree studies.

CHAPTER 2: DEVELOPMENT OF THE SELF-FINANCING POST-SECONDARY EDUCATION SECTOR IN HONG KONG

2.1 Hitherto, post-secondary and higher education was primarily funded by the Government. Since 2000, the Government has been actively encouraging the private sector to contribute to the development of a self-financing post-secondary sector. Such development not only injects diversity into our higher education system, but also provides a channel for all sectors of the society to contribute wisdom, resources and efforts for the benefit of students.

2.2 This development is not unique to Hong Kong. Economies around the world and particularly those in Asia have been actively developing their private higher education sector. For instance, private higher education institutions accounted for 86.3%, 87% and 65.8% of the total number of higher education institutions in Japan, South Korea and Taiwan respectively. In terms of student population, student enrolment in private higher education institutions amounted to 77.1%, 78.3% and 71.9% of the total student enrolment in these three economies respectively⁴.

Stock-taking of Developments since 2000

Institutions and Programmes

2.3 In Hong Kong, our private sector has responded enthusiastically to the 2000 policy objective. Since then, we have seen a substantial increase in the number of self-financing post-secondary institutions and programmes in Hong Kong, providing a wide variety of full-time accredited post-secondary programmes for our senior secondary school leavers and broadening their access to post-secondary education (see Tables 2.1 and 2.2).

⁴ Figures extracted from a paper entitled “Private-Public Interfaces in Higher Education Development: Two Sectors in Sync?” by Professor Daniel C. Levy of State University of New York, obtained from <http://siteresources.worldbank.org/INTABCDE2007BEI/Resources/DanielLevy.PDF>.

Table 2.1 - Number of self-financing post-secondary education providers in Hong Kong in the 2000/01 to 2006/07 academic years

2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
4	11	16	20	20	20	20

Table 2.2 - Number of full-time self-financing post-secondary programmes offered in Hong Kong in the 2000/01 to 2006/07 academic years

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Degree	-	3	7	11	26	40	41
Sub-degree	20	38	77	112	173	233	261
Total	20	41	84	123	199	273	302

Student Places and Intakes

2.4 The increase in self-financing post-secondary programmes corresponds to an increase in post-secondary education opportunities. Table 2.3 below shows the planned provision of full-time post-secondary student places for fresh intake (the supply) since the 2000/01 academic year, based on information submitted by the institutions.

Table 2.3 - Supply of full-time post-secondary places at intake level in the 2000/01 to 2006/07 academic years

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Bachelor's Degree							
Publicly-funded	14601	14582	14590	14586	14584	14600	14600
Self-financing	0	245	490	958	1922	2550	2465
<i>Sub-total</i>	<i>14601</i>	<i>14827</i>	<i>15080</i>	<i>15544</i>	<i>16506</i>	<i>17150</i>	<i>17065</i>
Sub-degree							
Publicly-funded	6929	7208	8511	9527	9391	8850	7683
Self-financing	2468	5951	7752	10032	16362	23334	24085
<i>Sub-total</i>	<i>9397</i>	<i>13159</i>	<i>16263</i>	<i>19559</i>	<i>25753</i>	<i>32184</i>	<i>31768</i>
Total	23998	27986	31343	35103	42259	49334	48833

2.5 Table 2.4 below shows the actual enrolment figures at intake level (the demand) for full-time accredited post-secondary programmes since 2000/01, and the percentage of actual intakes against planned provision of places.

Table 2.4 – Actual intakes to full-time post-secondary programmes in the 2000/01 to 2006/07 academic years

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Bachelor's Degree							
Publicly-funded	14537	14665	14936	14754	14828	15173	15584
Self-financing	N/A	285	605	1030	1353	1527	2033
<i>Sub-total</i>	<i>14537</i>	<i>14950</i>	<i>15541</i>	<i>15784</i>	<i>16181</i>	<i>16700</i>	<i>17617</i>
Sub-degree							
Publicly-funded	6846	7634	9623	10788	9813	9301	8448
Self-financing	2621	5546	6832	8317	17077	19806	19673
<i>Sub-total</i>	<i>9467</i>	<i>13180</i>	<i>16455</i>	<i>19105</i>	<i>26890</i>	<i>29107</i>	<i>28121</i>
Total	24004	28130	31996	34889	43071	45807	45738
as % of provision	100%	101%	102%	99%	102%	93%	94%

2.6 The total supply of self-financing sub-degree places has increased by nine-fold during the period from the 2000/01 to 2005/06 academic years, but then stabilized at around 23,000 - 24,000 since the 2005/06 academic year. At the same time, there is an enthusiastic demand for sub-degree places, as evidenced by the over-enrolment (99-102% take-up rate) from the 2000/01 to 2004/05 academic years. While the intakes to sub-degree programmes continue to grow in the 2005/06 academic year (by 10%), it is noted that the supply of places has overtaken the demand for the first time in the 2005/06 academic year. The course providers have responded by slowing down the growth in the planned provision of sub-degree places. As a result, the supply of sub-degree places has experienced a minor decrease only in the 2006/07 academic year (from 32,184 places in 2005/06 to 31,768 places in the 2006/07 academic year).

2.7 It is also worth-noting that in parallel with the robust development of the self-financing sub-degree sector, a self-financing degree sector is also emerging in Hong Kong (from zero place in the 2000/01 academic

year to about 2,500 in the 2006/07 academic year). We will discuss the development of the self-financing degree sector in subsequent chapters.

Post-secondary Education Participation Rate

2.8 As a result of the robust development of the sub-degree sector, the “participation rate”⁵, which reflects the availability of education opportunities to our senior secondary leavers (the 17-20 age cohort), has doubled in five years’ time, from 33% in the 2000/01 academic year to 66% in the 2005/06 academic year. Following the stabilization of the market as described in paragraph 2.6 above, the participation rate has leveled off in the 2006/07 academic year, and now maintains at slightly above 60% (Table 2.5).

Table 2.5 – Participation Rate of the 17-20 Age Cohort in the 2000/01 to 2006/07 academic years

2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
33%	38%	43%	47%	57%	66%	64%

Observations and Discussions

2.9 After a period of robust development in the first five years after the promulgation of the 2000 policy objective, it is observed that the self-financing sub-degree sector has entered into a **period of consolidation** starting from the 2005/06 academic year, with the number of post-secondary education providers stabilizing at 20 and the participation rate maintaining at slightly above 60%. Moreover, in view of some surplus places recorded in the 2005/06 academic year, the

⁵ For the purpose of monitoring the availability of education opportunities to our senior secondary school leavers, we have used a formula for calculating the “participation rate”, defined as:

Student places of relevant courses* at intake level

Average population of the 17-20 age cohort

* "Relevant courses" cover all locally accredited full-time courses at sub-degree and undergraduate levels which admit senior secondary school leavers and those who have not yet reached sub-degree level, as well as an estimate of the number of students pursuing studies outside Hong Kong at these levels. Figures in the above tables have not taken into account student enrolment in the last category.

self-financing sub-degree sector has responded by slowing down the growth in the planned provision of sub-degree places and offering a greater variety of sub-degree programmes to meet the diverse education needs of students.

2.10 As the healthy and sustainable development of the self-financing post-secondary sector is pivotal to maintaining the quality of our human capital and competitiveness, we consider that the Government has an important role to play in facilitating the long-term development of the sector, while respecting the autonomy of the individual institutions. In this respect, the Government should aim at supporting the consolidation of the sector, promoting quality enhancement and transparency as well as enhancing the learning experience, recognition, employability and articulation opportunities of sub-degree students. We have identified a number of key issues that need to be addressed in the Phase 2 Review. They will be discussed in Chapters 3-8 of this Report.

CHAPTER 3: POSITIONING AND VALUE OF SUB-DEGREE QUALIFICATIONS

3.1 The sub-degree qualifications, including Higher Diploma (HD) and Associate Degree (AD), are valuable qualifications in a knowledge-based economy. But the co-existence of two sub-degree qualifications has created some confusion to the public and employers. At the same time, some have doubted the value of AD as an exit qualification to prepare students for employment. This chapter takes stock of the development of the two sub-degree qualifications in Hong Kong and examines the positioning of AD in the education system and in Hong Kong.

Background

3.2 Prior to 2000, sub-degree programmes in Hong Kong were primarily HD courses, mostly offered by post-secondary institutions such as the Hong Kong Polytechnic University, City University of Hong Kong and the Vocational Training Council. Most of these programmes were publicly-funded, and were geared towards meeting the manpower requirements of specific industries. Hence, the course contents were largely vocational-oriented and profession-specific⁶.

3.3 Unlike HD programmes which have over 35 years of history in Hong Kong and are generally well-recognized in the society, AD was first launched in Hong Kong in late 2000 and hence not yet widely known by the employers and the community. AD originated from the development of community colleges in the United States in the 19th century, and was later adopted in Canada. HD and diplomas are the most common sub-degree qualifications in the United Kingdom and Commonwealth countries.

3.4 In response to the policy objective of achieving a 60% participation rate by 2010, some UGC-funded institutions and their self-financing arms started to offer AD courses⁷, and at the same time set

⁶ Examples of vocational HD programmes include HD in Civil Engineering, HD Scheme in Fashion & Textile Studies, HD in Geomatics, etc.

⁷ City University of Hong Kong (CityU), Hong Kong Baptist University (HKBU), and the Hong Kong University School of Professional and Continuing Education (HKU SPACE) pioneered the launch of AD programmes in Hong Kong. HKBU and HKU SPACE introduced AD programmes in Autumn 2000.

up a number of “Community Colleges”. Some institutions had converted their existing HD programmes into AD programmes⁸. To provide a benchmark for AD programmes and to ensure consistency of standards among institutions offering such programmes, the Government promulgated in 2001 a set of “Common Descriptors for AD programmes” which provides a guiding framework for this new qualification. The Common Descriptors covers the following:

- Programme Objectives
- Learning Outcome
- Programme Structure
- Entry Requirements
- Quality Assurance
- Exit Qualifications

The AD Common Descriptors as currently promulgated are at [Annex C](#).

Discussion and Recommendations

(a) Nomenclature and Differentiation of Sub-degree Qualifications

3.5 Hitherto, HD courses are considered to be more vocational-oriented and gearing towards meeting the manpower requirements of specific industries/professions; whereas AD courses seek to provide students with a solid foundation of generic skills and a broad theoretical understanding of the chosen discipline and its application.

3.6 With the rapid expansion of full-time sub-degree programmes in Hong Kong in the past seven years⁹ and the resulting keen competition for students, the distinction between AD and HD programmes has become somewhat blurred and indiscernible. Nowadays, certain HD programmes are rather generic in nature and packaged with articulation arrangements to undergraduate studies. On the other hand, some AD programmes are rather profession-specific with few generic elements. For illustration, a

⁸ CityU converted 25 UGC-funded HD programmes to AD programmes in the 2000/01 academic year.

⁹ Total number of sub-degree programmes increased from 38 in the 2001/02 academic year to 261 in the 2006/07 academic year. The 38 programmes offered in the 2001/02 academic year consisted of 16 AD programmes and 22 HD programmes; and the 261 programmes offered in the 2006/07 academic year consisted of 148 AD programmes and 113 HD programmes.

comparison of a selected AD programme and an HD programme on the same subject of “Accountancy” shows that the course structure and content of the two programmes is strikingly similar (see **Annex D**).

3.7 In the light of the foregoing, the Steering Committee (SC) has deliberated the case for maintaining two sub-degree qualifications in Hong Kong. Specifically, it has considered a number of options in respect of the nomenclature of the qualifications. These include (i) adopting a new, single nomenclature for all sub-degree programmes in Hong Kong; (ii) replacing the AD title with HD across the board or vice versa; and (iii) differentiating more clearly between the AD and HD qualifications/programmes. Options (i) and (ii) seek to standardize the sub-degree qualifications in Hong Kong; while option (iii) aims to provide the stakeholders concerned (e.g. students, parents and employers) with a clearer understanding of the programme objectives, learning outcomes, etc of the two types of qualifications.

3.8 While adopting a single title (options (i) or (ii)) may help reduce the confusion caused to the general public, such a title will have to encompass a very broad range of curriculum and learning outcomes (ranging from one with a 70-80% of vocational elements to one comprising 60-70% generic contents). Moreover, given the long history and general recognition of HD in Hong Kong, the rapid developments of AD programmes in the past few years and the divergent views among the stakeholders, it would be difficult, if not impossible, for the self-financing sub-degree sector to agree to the adoption of either a single nomenclature or having one replacing the other. Indeed, such changes will adversely affect not only the institutions but also the students who have obtained the AD or HD qualification. The SC sees the practical need for and the value of maintaining two sub-degree qualifications, provided a clearer distinction can be drawn between them so as to provide better guidance to the institutions in curriculum planning and to students in choosing programmes that best suit their interests and needs (i.e. option (iii)). A clearer differentiation will also help the employers to select sub-degree graduates who possess the knowledge, skills and abilities that are most suitable and relevant to their job openings.

3.9 To take this forward, the Government has invited the Federation for Continuing Education in Tertiary Institutions¹⁰ (FCE) to draw up a set of “Common Descriptors for HD Programmes” and to update the current Common Descriptors for AD. Essentially, the SC is of the view that while HD and AD should share certain common characteristics so as to maintain consistency (e.g. quality assurance mechanisms and exit standards), one must be able to differentiate between them based on some distinct characteristics (e.g. programme objectives, curriculum, learning outcomes). For instance, while HD emphasizes on equipping students with profession-specific knowledge and skills to enable them to pursue a career in a specific field, AD should focus on equipping students with generic knowledge and skills to enable them to undertake further studies or employment in administrative or managerial positions at the entry level. We therefore recommend that the Government should officially promulgate a set of Common Descriptors for HD and a revised/updated set of Common Descriptors for AD to better define and differentiate the two qualifications, taking into account views of the sector and developments on various fronts. Review and updating of the two set of Common Descriptors should be conducted on a regular basis.

Recommendation 1: We recommend that the **Associate Degree and Higher Diploma qualifications** should co-exist but **should be better defined and differentiated** through the promulgation and updating of the Common Descriptors for Higher Diploma and Associate Degree respectively.

(b) Positioning and Value of the AD Qualification

3.10 In the U.S. and Canada, AD education is designed “to provide an education experience that prepares students for work, citizenship and an enriched life as an education person, and to lay a solid foundation for further studies”¹¹. According to our own Common Descriptors for AD, AD programmes should provide an enriched education that equips students with generic as well as specialized skills and prepares them for

¹⁰ The FCE was established in 1994 to promote lifelong learning in Hong Kong. It comprises 14 organizations/institutions, including the continuing and professional education (CPE) units of the eight local universities and other major providers of CPE programmes in Hong Kong.

¹¹ Extracted from p.7 of the Final Report of a Consultancy Study commissioned by the then EMB and undertaken by FCE in 2001.

employment (in administrative/managerial positions at the entry level) or further studies (on a part-time or full-time basis).

3.11 Subsequent developments in the post-secondary sector have however focused excessively on articulation to degree programmes immediately upon completion of the AD programmes. Moreover, there is, unfortunately, a general perception among students and parents that AD is only a bridging qualification for undergraduate studies. Some even consider that the AD graduates are not yet ready for immediate employment. Such misconception is unfair to the AD graduates, in particular those who have decided to join the job market after completion of the AD studies (about 30% of the total number of graduates).

3.12 Having regard to the differentiation of HD and AD as discussed above, the SC is of the view that the sub-degree qualification will play an even more important role in preparing our senior younger generation for employment following the implementation of the new academic structure for senior secondary and higher education (3+3+4). By 2012, it is expected that all the senior secondary three (SS3) students will sit for the Hong Kong Diploma for Secondary Education (HKDSE) examination. Apart from those who will be admitted to the publicly-funded undergraduate studies at the UGC-funded institutions, the rest will either have to join the workforce or to further their studies by undertaking sub-degree (publicly-funded and self-financing) or self-financing degree programmes locally or abroad. Given the transformation of Hong Kong into a knowledge-based economy, it is expected that a substantial portion of our SS3 school leavers will want to further their studies rather than joining the workforce immediately upon completion of secondary education (usually at the age of 18-19). While the HD qualification will prepare our SS3 graduates for employment in specific fields, AD education would better prepare our SS3 graduates for employment by equipping them with the necessary knowledge and skills as well as broadening their horizon.

3.13 That said, the SC agrees that more need to be done to enhance the employability of AD graduates, align the AD curriculum with the manpower requirements of the market and change the misconception among students, parents and employers about AD. First, we should

encourage institutions to proactively collaborate with professional bodies, employers' federations and the business sector in general on curriculum development so as to equip students with relevant knowledge and skills (generic and specialized) as required by their chosen professions. Second, to widen their exposure and enhance their employability, we should facilitate the provision of more internships and work attachments for AD students/graduates and encourage their participation in community services. Third, to facilitate students' efforts in job-searching, we should enhance the information flow on employment opportunities available to AD graduates and strengthen the career counseling services provided to them. Our specific proposals will be discussed in Chapter 7.

Recommendation 2: We reaffirm the value of the sub-degree (Associate Degree and Higher Diploma) qualifications in a knowledge-based economy and envisage their increasing importance in preparing our younger generation for employment especially following the implementation of the new academic structure (3+3+4). We therefore recommend that the Government should step up efforts in changing the misconception about Associate Degree in the society and that the institutions should seek to enhance the employability of their Associate Degree graduates.

(c) Benchmarking Qualifications Against the Qualifications Framework (QF)

3.14 The Government is in the course of establishing QF. The QF is a seven-level hierarchy of qualifications against which individual academic, vocational and continuing education programmes will be benchmarked. The development of the QF will thus enable the benchmarking of sub-degree qualification against other qualifications (in terms of the QF level and learning size (credit))¹². This additional information, to be available on the Qualifications Register (QR), will give learners and consumers a clearer idea as to the credibility, depth and breadth of the individual sub-degree courses.

¹² Sub-degree programmes will be benchmarked at QF Level 4, whereas HKDSE and bachelor degree will be benchmarked at QF Level 3 and 5 respectively.

CHAPTER 4: QUALITY ASSURANCE AND ENHANCEMENT

4.1 Quality is the cornerstone of the development of the self-financing post-secondary education sector, and indeed any higher education system. This is also an area of public concern following the rapid development of the sector in the past few years. This Chapter examines the existing quality assurance (QA) systems for post-secondary programmes, and proposes initiatives to enhance the quality of service provision in the sector.

Existing QA Systems

4.2 All local post-secondary programmes are required to undergo QA before they can be offered in Hong Kong. In view of the different background and level of maturity of the institutions, two QA mechanisms co-exist in Hong Kong. First, for programmes (both publicly-funded and self-financing) offered by institutions with self-accrediting status, which include the eight University Grants Committee (UGC)-funded institutions and their self-financing arms, the Open University of Hong Kong (OUHK), and Hong Kong Shue Yan University (HKSYU)¹³, they are subject to the internal QA procedures stipulated by the institutions concerned. In August 2005, the Heads of Universities Committee (HUCOM) established the **Joint Quality Review Committee (JQRC)** to oversee the QA matters of the self-financing sub-degree programmes offered by the UGC-funded institutions and their self-financing arms.

4.3 For non-self-accrediting institutions, their programmes are accredited by the **Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ)**. Under the current accreditation mechanism, institutions are required to go through Institutional Reviews and submit their individual programmes for Programme Validations and Revalidations periodically.¹⁴

¹³ HKSYU enjoys self-accrediting status in three disciplines (i.e. Arts, Commerce and Social Sciences), which it has attained Programme Area Accreditation (PAA) status.

¹⁴ A new four-stage accreditation mechanism will be adopted by HKCAAVQ upon the implementation of relevant provisions in the Accreditation of Academic and Vocational Qualifications Ordinance (Cap.592). The four stages are Initial Registration of Providers, Programme Validation, Programme Area Accreditation (PAA) and Periodic Review.

Discussion and Recommendations

4.4 The rapid expansion of the post-secondary education sector and the keen competition among course providers have given rise to concerns about the quality of the sub-degree sector, in terms of programme quality, quality of teaching staff and facilities, as well as quality of students and graduates. Apart from quality in general, there are also concerns about the comparability and consistency under the two QA mechanisms in terms of the standards and procedures adopted. Notwithstanding the self-financing nature of the sector, the Government has been asked to play a more proactive role (e.g. setting ground rules), rather than leaving the development of the sector entirely to market forces. The Phase 2 Review has therefore focused its deliberations on how the quality of the sector can be further enhanced and come up with the following recommendations:

(a) Enhancing the Quality Assurance Mechanism

4.5 In view of the public concerns that keen competition and financial pressure may cause some course providers to admit indiscriminately students who do not meet minimum entry standards (such as a pass in English in HKCEE) and even relax exit standards, the Steering Committee (SC) recommends that HKCAAVQ and JQRC should strengthen the QA process for both the course providers and their learning programmes, paying particular attention to admission and exit standards.

[Recommendation 3](#): We recommend that the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and Joint Quality Review Committee should seek to strengthen the Quality Assurance process for course providers, paying particular attention to ensuring compliance of admission and exit standards.

(b) Fostering More Structured Dialogue among QA Agencies

4.6 While the SC acknowledges the co-existence of two different QA regimes for self-financing sub-degree programmes in Hong Kong, it agrees that it would be necessary to foster a closer dialogue between the

two agencies involved in quality assurance of sub-degree programmes (i.e. HKCAAVQ and JQRC) so that they can better understand the QA practices and standards adopted by each other. Indeed, in response to Recommendation 11 in the Phase 1 Review Report (at Annex A), JQRC and HKCAAVQ have been working more closely with each other through cross membership in the respective Councils and informal meetings. To foster a more structured dialogue, the SC recommends that a Tripartite Liaison Committee involving the Education Bureau (EDB), HKCAAVQ and JQRC should be established to provide a regular forum for discussing quality-related issues concerning the sub-degree sector. Such dialogue and cooperation would in turn enhance the **consistency** of the two QA mechanisms and the **comparability** of programmes offered by institutions with and without self-accrediting status.

Recommendation 4: We recommend that a **Tripartite Liaison Committee** comprising Education Bureau, the Joint Quality Review Committee and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications should be established to facilitate an on-going dialogue among the quality assurance (QA) agencies of the sub-degree sector, to provide a forum for discussing quality-related issues concerning the sub-degree sector and to enhance comparability of the QA mechanisms and the programmes offered by institutions with and without self-accrediting status.

(c) Developing Good Practices for the Sub-degree Sector

4.7 In view of the public concerns about the quality and comparability of the self-financing post-secondary programmes, the SC agrees that the Government should help the sector to develop a set of principles and good practices to promote the development of a quality sub-degree sector and encourage institutions to achieve excellence.

4.8 Having regard to similar codes of practices and guidelines promulgated by other countries, the SC proposes that a set of **“Good Practices for the Sub-Degree Sector”** (“Good Practices”) should be developed for reference by the sector. The “Good Practices” will set out general principles and desirable practices in relation to the quality assurance and enhancement of sub-degree programmes. It will serve as

a practical guide for reference by the institutions to assist them in the planning and delivery of sub-degree programmes, with the aim of inspiring them to attain further improvements over time. The “Good Practices” will also serve as a source of reference for the QA agencies in conducting accreditation and quality audit work.

4.9 To take the proposal forward, it is recommended that an **Expert Group** comprising distinguished academics and QA experts should be formed to help produce a set of draft “Good Practices” for consultation with all providers of sub-degree programmes and other stakeholders. Taking into account the initial views of the HKCAAVQ and the JQRC, a draft framework for the proposed “Good Practices” is produced at **Annex E** as the basis for further deliberations by the Expert Group and the stakeholders.

Recommendation 5: To promote the sharing of good practices and provide references for the sub-degree sector, we recommend that a set of “**Good Practices for the Sub-degree Sector**” should be drawn up in consultation with the post-secondary education institutions and be promulgated by the Government.

(d) Launching a New and Comprehensive Information Portal on Sub-degree Programmes

4.10 Hitherto, the Government has been providing information on post-secondary programmes to secondary school leavers through the publication of a career guidance booklet annually. The booklet contains mainly basic information such as programme names, course structures, and tuition fees of individual self-financing post-secondary institutions.

4.11 Given the number and diversity of the sub-degree programmes offered by the sector, the SC considers it imperative to provide more detailed and easily accessible information on individual course providers and programmes to enable students to make better informed choices regarding their studies. To this end, we recommend that a new information portal for the self-financing sub-degree sector, providing institution-specific and programme-specific information, should be launched by the Government with input from the service providers. The

information may include, among other things, teaching and non-teaching facilities provided by the institutions, qualifications of teaching staff, teacher-student ratio, progression or articulation pathways of graduates, involvement of professional bodies in curriculum design and recognition of programmes, etc. It is expected that the portal will greatly enhance the overall transparency of the self-financing post-secondary institutions and their individual programmes. The types of data to be included in the portal are set out in **Annex F**.

Recommendation 6: To enhance transparency of the self-financing sub-degree programmes and accessibility of information, we recommend that the Government should launch a new and comprehensive **information portal on self-financing locally-accredited sub-degree programmes** based on input from the post-secondary institutions.

(e) Publicising QA efforts

4.12 For the purpose of uploading qualifications onto the Qualifications Register (QR) to be established under the Qualifications Framework (QF), the JQRC has completed a Preview of the QA mechanisms adopted by the UGC-funded institutions and their continuing education arms for their self-financing sub-degree programmes. The first round of Institutional Review (IR) conducted by JQRC subsequently for its member institutions is progressing on track. The auditing function of the JQRC will enable institutions to reflect on their own QA mechanisms and processes.

4.13 On the other hand, to ensure consistency and procedural symmetry, HKCAAVQ will review the self-financing sub-degree programmes previously accredited by the Council before uploading the qualifications of these programmes onto the QR.

4.14 The SC commends the work conducted by JQRC and the HKCAAVQ, and recommends that both agencies should publicize more widely their QA work and work plan so as to enhance public understanding of their work and the QA mechanisms adopted by the post-secondary institutions.

Recommendation 7: We recommend that **the Joint Quality Review Committee and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications** should step up publicity and increase the public awareness of their quality assurance work including their work plans, processes, standards adopted and achievements.

(f) Supporting Institutions' Quality Enhancement Efforts

4.15 While the Government and the QA agencies will strengthen their QA efforts, quality enhancement must start with the institutions as the service providers. To encourage self-financing post-secondary institutions to undertake measures to improve the quality of teaching and learning, the SC recommends the establishment of a new funding scheme to support worthwhile initiatives in this regard. This will be further discussed in Chapter 5.

CHAPTER 5: GOVERNMENT'S SUPPORT MEASURES

5.1 The Government introduced in 2001/02 a package of measures to facilitate and support the development of the self-financing post-secondary education sector. This Chapter takes stock of these measures and discusses proposed changes so as to better support the long-term development of the sector.

Existing Support Measures

5.2 Apart from putting in place the necessary QA and regulatory mechanisms, the Government has set up a number of schemes to support the development of the sector. These include the Start-up Loan Scheme, the Land Grant Scheme, the Accreditation Grant Scheme, and the Financial Assistance Scheme for Post-secondary Students.

(a) Start-up Loan Scheme (SLS)

5.3 The Government has earmarked \$5 billion to provide interest-free loans to non-profit-making post-secondary institutions for purchasing, renting or building campuses. A Vetting Committee has been established to advise the Government on the merits of the loan applications. To date, the Government has approved 25 loans amounting to some \$4.1 billion and benefiting 16 institutions. The loan has to be repaid by the institution within 10 years after its final drawdown. Details are at **Annex G**. So far, repayments have been on schedule.

(b) Land Grant Scheme (LGS)

5.4 The Government established a LGS in 2002 to grant sites to non-profit-making post-secondary institutions for the construction of purpose-built campuses. A Selection Committee has been established to assess applications and advise on the allocation of sites. To date, we have made available a total of 8 sites, of which 5 have been successfully allocated to 4 institutions having regard to the merits of the proposals. Details are at **Annex H**.

(c) Accreditation Grant Scheme (AGS)

5.5 The Government has earmarked \$30 million to set up an AGS to subsidize the accreditation expenses incurred by institutions, thereby relieving their financial burden in the initial years of operation. The Grant subsidizes in full the fees of successful Institutional Reviews, and 50% of the fees for individual programme validation. To date, we have approved grants to 13 institutions amounting to about \$21 million. Details are at **Annex I**.

(d) Financial Assistance Schemes for Post-Secondary Students (FASP)

5.6 The Government introduced FASP in the 2001/02 academic year. All eligible students enrolled in self-financing degree or sub-degree programmes can apply for assistance under FASP (in the form of grant) and the Non-means-tested Loan Scheme for Post-secondary Students (NLSPS) (in the form of loan). With effect from the 2006/07 academic year, the Government has brought the means-tested grants under FASP on par with the Tertiary Students Finance Scheme – Publicly-funded Programmes (TSFS) applicable to students enrolled in publicly-funded post-secondary programmes.

5.7 Over the past six years, the Government has provided financial assistance amounting to over \$2.7 billion to needy students under FASP and NLSPS. The improvements introduced in 2006/07 will incur an expected additional Government financial commitment of around \$560 million by the 2010/11 academic year.

Discussion and Recommendations

5.8 The SLS and LGS were introduced primarily to support the policy objective of enabling 60% of our senior secondary leavers to have access to post-secondary education by 2010. Hence, they are closely linked to the number of student places undertaken by the applicants (e.g. the loan amount under the SLS was calculated with reference to the loan ceiling per student place; and the Selection Committee for LGS would consider the number of additional places to be provided by the applicant in the new campus when approving the land grant).

5.9 The SLS and LGS have achieved their stated objectives of encouraging and supporting the development of the self-financing post-secondary education sector in its initial stage of development. As the post-secondary participation rate has reached 64% in the 2006/07 academic year and in view of the concerns about the overall quality of the self-financing sub-degree programmes, we consider that the Government should adjust its support measures so that they can be geared towards supporting and encouraging quality enhancement. This is in line with Recommendation 5 of the Phase 1 Review Report, which suggested that “the remaining resources under the Land Grant and Start-up Loan Schemes should be used with a clear emphasis on enhancing the quality of service provision and encouraging diversity, rather than solely for increasing student places”.

5.10 To improve programme quality and students’ learning experience, especially those studying in less optimal environment and do not have access to basic ancillary facilities (e.g. libraries), we recommend that the SLS and LGS should be modified so that institutions may, without the need to provide additional student places, apply for land and/or loans for-

- (i) providing or enhancing teaching and other ancillary facilities (e.g. library, laboratories, student guidance/career counseling centres, etc) which serve to enhance the learning experience of and support for students; and/or
- (ii) reprovisioning existing college campuses operating in sub-optimal environment.

The Vetting Committee for SLS and the Selection Committee for LGS will be invited to devise new criteria for the two modified schemes under which land and loans will be granted to truly meritorious applications. The revised parameters will be submitted to the Finance Committee of the Legislative Council (LegCo) for approval in due course.

Recommendation 8: We recommend that the Government's support measures should gear towards quality enhancement rather than increasing the supply of sub-degree places further. In this regard, **the Start-up Loan Scheme and the Land Grant Scheme should be modified** so as to allow institutions to obtain loans and/or land to enhance teaching, learning and other ancillary facilities, and/or for reprovisioning existing college premises.

5.11 In addition, some institutions have expressed keen interest in using or converting vacant primary and secondary school premises for post-secondary education use, especially those premises that are conveniently located and readily accessible by students. Subject to the availability of suitable premises, we agree that this arrangement presents a practical option for institutions which do not require purpose-built campuses. The Government should also have an interest in ensuring that vacant school premises are put to good use.

Recommendation 9: To complement Recommendation 8 above, we recommend that the Government should identify suitable **vacant school premises** for post-secondary education use (as an alternative to building new campuses) and invite the institutions concerned to submit proposals.

5.12 As a related issue, some post-secondary institutions have requested an extension of the 10-year repayment period for the interest-free start-up loans so as to relieve their financial burden, whereas student groups have requested that the Government should completely write-off all start-up loans to alleviate students' burden in sharing out the institutions' repayment of such loans. It should be noted that when the institutions applied for the start-up loans, they were fully aware of the loan terms and had come up with sound business plans to justify them based on a 10-year repayment period. Bearing in mind the read-across implications on other similar loans in the school sector, we consider that strong and overwhelming justifications would be required for any departure from the existing SLS. That said, to relieve the financial burden on the institutions and enable them to devote more resources to improve the quality of teaching and learning, we recommend that the Government may consider extending the maximum loan repayment

period of medium-term loans under the SLS from 10 to 20 years, with interests charged on a no-gain-no-loss basis during the extended period. Whereas those institutions with proven financial difficulties may apply for an extension of the loan repayment period, such relaxation would not automatically apply to new loans to be granted under the SLS as the borrowers should have planned carefully their repayment ability before borrowing.

Recommendation 10: We recommend that the Government should consider **extending the maximum loan repayment period** of medium-term loans taken out by the institutions under the Start-up Loan Scheme from 10 to 20 years, subject to interest payment after the first 10 years and institutions' proven financial difficulties, so as to relieve the financial burden on the institutions and enable them to devote more resources to improve the quality of teaching and learning.

5.13 The AGS has been highly successful in encouraging non-self-accrediting institutions to go through accreditation. Not only would students have more confidence in quality-assured programmes, institutions also benefit from the accreditation exercises by reviewing their own programme planning and QA mechanisms holistically and objectively. In connection with the development of the Qualifications Framework (QF), EDB has earmarked \$65 million to provide accreditation grants to non-profit making training providers (including non-self-accrediting post-secondary institutions) and their self-financing programmes. We therefore propose that the AGS be subsumed into the accreditation grant schemes to be introduced by the Government in support of the QF, which will cover, among others, accreditation fees incurred in programme validation and programme area accreditation.

Recommendation 11: We recommend that **accreditation grants** should continue to be provided to encourage the provision of quality-assured post-secondary programmes, and such grants can be subsumed into the financial assistance schemes to be launched by the Government in support of the Qualifications Framework.

5.14 To complement the proposed modifications to the various schemes to support quality improvement, we recommend that, subject to

funding availability, non-recurrent grants should be made available for application by institutions to pursue worthwhile projects or initiatives that could improve the learning experience and effectiveness of students in language proficiency, encourage the development and adoption of effective teaching methods or approaches, strengthen the quality assurance mechanisms for post-secondary learning programmes, as well as enhancing student support and career guidance services, etc. Details of the proposed scheme, including its scope, assessment criteria, modus operandi and funding requirement, will be worked out by EDB in consultation with relevant Government bureaux/departments.

[Recommendation 12](#): Subject to funding availability, we recommend that the Government should consider launching a new **Quality Enhancement Grant Scheme** whereby non-recurrent grants will be provided to institutions and educational bodies to support worthwhile projects/initiatives that could improve students' learning experience and language proficiency, encourage development and adoption of effective teaching methods or approaches, as well as strengthen quality assurance and student support / career guidance services.

5.15 The recommendations regarding the provision of financial assistance to students will be discussed in detail in the next Chapter.

Other Requests from the Sector

Provision of shared facilities and resources by Government

5.16 Some students of self-financing post-secondary programmes, including those run by the UGC-funded institutions, have requested the Government to provide shared facilities and resources (e.g. library, recreational facilities) for their use, or to subsidize their use of ancillary facilities at the UGC-funded institutions. It should be noted that under the established policy, resources allocated to UGC-funded institutions for their publicly-funded activities must not be used to cross-subsidize their self-financing operations, and hence as a matter of principle, the self-financing arms of UGC-funded institutions have to pay for the use of the facilities on a cost-recovery basis. To allow cross-subsidization will

tilt the level playing field of the self-financing post-secondary sector, as students studying self-financing programmes run by non-UGC-funded institutions will not have access to publicly-funded campus facilities. On the other hand, we do not consider it feasible to provide common facilities for shared use by students of some 20 self-financing post-secondary institutions given the scattered localities of their campuses. Instead, we consider that our recommendations to make available land/vacant school premises and loans under the modified LGS and SLS to provide/enhance teaching and ancillary facilities and to provide quality enhancement grants would better serve the purpose of enhancing students' learning experience and providing the necessary ancillary facilities (Recommendations 8, 9 and 12 above).

CHAPTER 6: STUDENT FINANCE

6.1 While improvements have been made to the Financial Assistance Scheme for Post-secondary Students (FASP) starting from the 2006/07 academic year, students have requested further relaxation of FASP to relieve their financial burden. This Chapter takes stock of the existing financial assistance schemes available to self-financing post-secondary students and discusses the case and options for further improving student finance under FASP.

Background

6.2 FASP was introduced in 2001 for full-time students pursuing locally-accredited, self-financing post-secondary programmes leading to a sub-degree or higher qualification. Eligible students will be provided with means-tested assistance (grant or loan) to meet tuition fees, the level of which is subject to price adjustment in accordance with the movement of the Consumer Price Index (A) and capped at \$56,560 for the 2006/07 academic year. Local students aged 25 or below without a sub-degree or higher qualification are eligible to apply. They may also apply for non-means-tested loans under the Non-means-tested Loan Scheme for Post-secondary Students (NLSPS) to cover tuition fees (after deducting the actual amount of means-tested assistance, if any) and living expenses.

6.3 Prior to the improvements in 2006, only the most needy students who passed the means test and eligible for 100% assistance would be provided with full grant, and those who passed the means test but not eligible for 100% assistance would receive no grant at all. Instead, they would be provided with a partial means-tested loan to cover tuition fees.

6.4 Since the release of the Phase 1 Review Report, the Government has, with effect from the 2006/07 academic year, brought the means-tested grants under FASP on par with those under the Tertiary Student Finance Scheme – Publicly-funded Programmes (TSFS)¹⁵ by

¹⁵ TSFS provides means-tested financial assistance to needy full-time students undertaking an exclusively UGC or publicly-funded student place of a recognized course at the eight UGC-funded institutions or the Hong Kong Institute of Vocational Education, the Prince Philip Dental Hospital and the Hong Kong Academy of Performing Arts.

applying the same sliding scale¹⁶ for determining the grant level. In other words, eligible students who do not pass the means test for full grant may receive partial grants according to the sliding scale. The Government has also expanded the scope of FASP to provide a grant of up to about \$3,000 for academic expenses per student per annum. We estimate that means-tested grants disbursed under FASP would increase from \$215 million in the 2005/06 academic year to about \$537 million in the 2006/07 academic year, benefiting about 18,000 students.

Discussion and Recommendations

6.5 Notwithstanding the above improvements, self-financing post-secondary students demanded further improvements to FASP to -

- (a) provide means-tested loans (under FASP) to cover their living expenses; and
- (b) extend FASP to cover sub-degree graduates pursuing self-financing “top-up” studies.

(a) Means-tested Loans to Cover Living Expenses

6.6 Unlike their counterparts under TSFS, students of self-financing programmes are not eligible for means-tested loans to cover their living expenses. They may however borrow non-means-tested loans which are offered on a no-gain-no-loss and full cost recovery basis, with the current interest rate pitched at 5.132% per annum.

6.7 To strengthen our support to needy students of self-financing programmes, we consider that there may be a case, **subject to funding availability**, to provide **means-tested loans** (currently at an interest rate at 2.5%) to these students to cover their **living expenses**, on the same terms and conditions for means-tested loans provided under TSFS¹⁷. We believe that this proposal would bring further financial relief to students studying self-financing programmes. Details of the proposal, including funding availability and timing of implementation, will be

¹⁶ Under the TSFS, the level of assistance is determined by a 17-level (from 100% to 4% to the grant ceiling) sliding scale.

¹⁷ Under TSFS, means-tested loans should be repaid in 20 quarterly installments within five years when a student graduates or ceases to be a student of the institution.

considered by the Government separately.

Recommendation 13: Subject to the availability of resources, we recommend that the Government should consider providing **means-tested loans for living expenses** under the Financial Assistance Scheme for Post-secondary Students to bring further financial relief to students studying self-financing sub-degree programmes.

(b) Extending FASP to cover students pursuing self-financing top-up degree programmes

6.8 Although sub-degree graduates normally prefer to further their studies at the UGC-funded institutions, there is, realistically, a limit to which the Government (and for that matter the institutions themselves) can expand the number of senior year places in publicly-funded institutions within a short period of time. We consider that the self-financing sector can play a pivotal role in meeting the articulation aspirations of a good portion of the sub-degree graduates.

6.9 However, at present students who wish to “top-up” their studies in locally-accredited self-financing degrees programmes are not eligible for financial assistance under FASP if they have obtained any qualifications at sub-degree level or above (as opposed to those taking up publicly-funded senior year places in UGC-funded institutions who will be eligible for TSFS). They may, instead, apply for non-means-tested loans under NLSPS to cover tuition fees of top-up studies. To better support this group of students, we recommend that consideration be given to providing student finance to eligible sub-degree graduates studying self-financing full-time top-up degree programmes. The proposal would also be conducive to the development of a self-financing degree sector in Hong Kong. However, given the “non-cash-limiting” nature of student finance schemes (i.e. assistance at the prescribed level would be provided to all applicants meeting the eligibility criteria irrespective of the number of such applicants), the proposal of extending FASP to cover top-up studies would have significant financial implications. Moreover, having regard to the experience in developing the self-financing sub-degree sector and to ensure that public resources are dedicated to supporting meritorious sub-degree graduates pursuing quality top-up studies, we

consider it imperative to put in place measures to uphold the quality and standards of the self-financing degree programmes if FASP is to be extended.

6.10 We consider that, as a matter of principle, any possible relaxation or extension of FASP should be made available to eligible students who pursue **full-time locally-accredited self-financing top-up studies** after they have **successfully completed a full-time locally-accredited sub-degree programme**. In line with this principle and subject to funding availability, we recommend that the Government should consider extending the FASP to cover sub-degree graduates pursuing:

- (i) self-financing degree / top-up degree programmes that have been accredited in Hong Kong by a government-recognised accreditation agency (e.g. by the HKCAAVQ); or
- (ii) self-financing degree / top-up degree programmes operated by the self-accrediting institutions with the resulting qualifications awarded solely or jointly by such institutions.

6.11 In other words, students of non-local degree programmes operated by a non-local institution alone (or through a local partner) or jointly with a local institution¹⁸ and leading to a non-local qualification would not be eligible for student finance under the extended FASP as these programmes have not been accredited locally. However, if a non-local programme is accredited by a government-recognised accreditation agency, or have gone through the QA mechanism and procedures of the local self-accrediting institution concerned with the resulting qualification awarded by such institution, the programme concerned would fall within the proposed ambit of the extended FASP.

6.12 Our proposal will likely encourage non-local institutions to seek accreditation locally for their non-local degree (and top-up degree) programmes (if they are operated independently or with a local non-self-accrediting institution) in order that their students could be

¹⁸ These programmes are currently registered, or exempted from registration, under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493). In other words, they might not have undergone local accreditation.

eligible for the extended FASP. For programmes operated jointly by a non-local institution and a self-accrediting institution in Hong Kong, the proposal may also encourage them to undergo the internal QA procedures adopted by the institution proper or by an external accreditation agency. We believe that the proposal would help enhance the overall quality of non-local degree programmes offered in Hong Kong, without changing the fundamentals of the existing regulatory regime which is based on registration/exemption (see also paragraphs 8.14-8.16 below).

6.13 To ensure the healthy and sustainable development of the self-financing degree sector, we must, in parallel with the recommendation to extend FASP, put in place robust measures to ensure the quality of self-financing degree programmes provided in Hong Kong. The requirement for local accreditation is geared towards this objective. In addition, given the number and diversity of the course providers involved in providing self-financing degree programmes, we recommend that the parties concerned, in particular the QA agencies for degree programmes, should jointly discuss QA issues pertaining to the self-financing degree sector. Details are discussed in Chapter 7 (paragraph 7.23).

6.14 We acknowledge that the recommendation to extend FASP to cover self-financing top-up studies will have very significant resources implications for the Government, and that the Government will have to examine very carefully all relevant policy and financial implications arising from the recommendation before deciding on the way forward.

[Recommendation 14](#): Subject to the availability of resources and the proposed parameters, we recommend that the Government should consider **extending the Financial Assistance Scheme for Post-secondary Students** to cover sub-degree graduates pursuing self-financing full-time **locally-accredited degree and top-up degree studies** in Hong Kong.

Other Requests

(a) Providing financial assistance to sub-degree graduates pursuing full-time degree programmes outside Hong Kong

6.15 There have been suggestions that student finance should be extended to support sub-degree graduates to pursue full-time degree programmes outside Hong Kong so as to expand their articulation opportunities. We do not recommend this option for three reasons. First, given the number and diversity of overseas degree programmes, we have difficulty in ensuring that Hong Kong students are pursuing programmes whose quality and standard are comparable to those of our local degree programmes. Secondly, given the resource constraints, we believe that priority should be given to providing financial assistance to students pursuing degrees locally, and that the gradual development of a local self-financing degree sector would provide more articulation places to meet the aspirations of our sub-degree graduates. Thirdly, it would be difficult to ring-fence why financial assistance is provided to sub-degree graduates pursuing overseas top-up degree programmes only, but not those undertaking full three-year or four-year undergraduate programmes outside Hong Kong. Indeed, we note that the suggestion of extending student finance to cover programmes outside Hong Kong has not commanded general support among the sub-degree students, who prefer pursuing top-up studies in Hong Kong as the tuition fees and living expenses here are generally lower.

6.16 A related issue is whether the Government should extend financial assistance to support Hong Kong students undertaking degree programmes offered by our UGC-funded institutions (and for that matter other locally-accredited institutions) outside Hong Kong (e.g. in the Mainland). While this development may be complementary to our efforts to increase articulation opportunities for local students, we consider that insofar as the current Review is concerned, the Government's first priority should be to assist local sub-degree graduates to articulate locally.

CHAPTER 7: EMPLOYMENT AND ARTICULATION OPPORTUNITIES

7.1 The sub-degree qualifications, AD and HD alike, are intended to prepare graduates both for work and for further studies. This Chapter examines the employment and articulation opportunities available to sub-degree graduates, and proposes measures to better meet the aspirations of these graduates in career development/ further studies and the manpower needs of our knowledge-based economy.

Present Position

7.2 Table 7.1 below is a summary of number of graduates of accredited sub-degree programmes since the 2001/02 academic year. Equipped with both generic and specialized skills, these sub-degree graduates are well-prepared for work and for further studies. This is also in line with our manpower development policy of enhancing the quality and competitiveness of our human capital so as to bridge the manpower gap faced by Hong Kong¹⁹ and meet the needs and challenges in a knowledge-based economy.

Table 7.1 – Sub-degree graduates since 2001/02²⁰

	2001/02	2002/03	2003/04	2004/05	2005/06
Publicly-funded	7537	6391	7082	7824	7909
Self-financing	1068	2702	5443	6606	9335
Total	8605	9093	12525	14430	17244

7.3 Based on the summary statistics on the progression pathways of self-financing sub-degree graduates from the 2001/02 to 2005/06 academic years (at **Annex J**), it is noted that over 90% of the sub-degree graduates were able to articulate or find a job shortly after graduation (about half of them pursued further studies and the other half joined the workforce). To a certain extent, this reflects general receptiveness and recognition in our society of sub-degrees being valuable intermediate or exit qualifications.

¹⁹ According to the Manpower Projection to 2007 conducted by the Government in 2003, there would be a shortfall of some 100 000 workers with qualifications at or above post-secondary level by 2007.

²⁰ The majority of these sub-degree graduates are from 2-year and 3-year programmes.

7.4 However, for reasons explained in Chapter 3 (paragraphs 3.11 to 3.13), the HD qualification have fared better than AD in terms of recognition by employers. Whereas HD, which has a longer history and track record in Hong Kong, is generally considered an exit qualification for vocational or professional development, students and parents generally perceive AD as a bridging qualification to further studies. Moreover, we note that many institutions have geared their promotional efforts of the AD qualification as a stepping stone towards articulation to degree programmes. From Annex J, we note that close to 60% of the HD graduates had joined the employment market, as compared to only some 30% of AD graduates.

Recognition of Sub-degree Qualifications for Employment Purpose

7.5 Recognition of sub-degree qualifications, in particular the AD, has been examined in detail in Chapter 5 of the Phase 1 Review Report. There are about 26 professional bodies (see **Annex K**) recognizing the AD qualifications for the purpose of granting exemptions from parts of their professional examinations. Meanwhile, according to graduate surveys conducted by programme providers in the 2005/06 academic year, over 39% of the self-financing sub-degree graduates (including 1,300 AD students and 2,000 HD students) who responded to the surveys had chosen to enter into the job market and secured full-time employment within three months after graduation. The average monthly salary of these graduates was about \$8,500. This compares well with the average monthly salary of \$7,000 and \$12,900 for F.7 students and UGC-funded degree graduates respectively.

Discussion and Recommendations

7.6 The Steering Committee (SC) recognizes that sub-degree education helps upgrade the quality of our manpower, particularly that of the younger generation by equipping them with the necessary knowledge and skills (generic and specialized) and broadening their horizon beyond that of the secondary school leavers. Sub-degree education would thus better prepare our graduates for employment in an increasingly complex and knowledge-based economy, and to compete with other economies in a

globalised economy. Indeed, employers found AD graduates more mature and diligent, have wider exposure and possess better inter-personal and social skills to meet their job requirements. Some civil service grades, e.g. Police, Customs and Excise, have also targeted AD graduates in their recent recruitment drives.

7.7 There is, unfortunately, still a rather prevalent view in the community that AD is merely a bridging qualification for further studies, and that AD graduates are not yet ready for immediate employment. On the other hand, the majority of AD graduates also aspire to “top-up” their studies immediately after graduation. Whilst acknowledging students’ aspiration for articulation, we consider that further efforts should be made to enhance the recognition of sub-degree qualifications for employment purposes.

(a) Intensifying Publicity Efforts

7.8 To improve understanding of the AD qualification by the business community, the Government organized a “Business for Education Luncheon” in June 2006 to promote the sub-degree qualifications to the business leaders and a “Seminar on Sub-degree Qualifications” in October 2006 to kick-start a direct dialogue between the sub-degree course providers and various business and professional organisations. Many employers and professionals have found these events useful and informative, and expressed interest in engaging in more in-depth discussions with the institutions on issues of common interest. To sustain the momentum, we recommend that the Government should continue to co-organize publicity events with institutions and business organizations to promote better communication and deeper collaboration between them (see also paragraph 7.10 below).

7.9 As for the public sector, the SC considers that Government should take the lead in enhancing recognition for AD qualification, particularly in respect of civil service appointment. Although some departments/grades are already targeting AD graduates in their recruitment exercises, more should be done to ensure that all bureaux/departments are fully aware of the strengths of our sub-degree graduates, the differentiation between AD and HD, and to take this group of graduates into due consideration given the partial lifting of the civil service recruitment freeze.

[Recommendation 15](#): We recommend that the Government should take the lead in **enhancing recognition for AD qualifications** and should intensify **publicity efforts**, in conjunction with the institutions, to promote better understanding of the sub-degree qualifications for employment purpose in both the business community and the public sector.

(b) Improving Collaboration between Institutions and the Business Community

7.10 As discussed in Chapter 3, the parties concerned should work together to enhance the employability of our AD graduates. To this end, it is imperative to ensure that the knowledge and skills (generic and specialized) acquired by them are directly relevant to the needs of prospective employers. As revealed in the last Employers' Survey commissioned by the then EMB on the performance of publicly-funded sub-degree graduates, the employers interviewed have expressed a strong interest in participating in the curriculum development of sub-degree programmes and in the provision of internship/placement opportunities for the students. We fully agree that the dialogue between the business sector and the post-secondary institutions should be broadened and deepened, so that there is continuous and active interaction between the two sides in the early stages of curriculum development and in arranging internship opportunities. We recommend that the institutions should devise mechanisms to involve the business/professional organizations and employers associations on an on-going basis and to seek their input to **curriculum development**.

7.11 Indeed, many employers are willing to offer short-term **job and internship opportunities** to sub-degree graduates for both training and longer term employment purposes. We suggest that institutions should actively engage professional bodies, employers' federations and the business sector in internship arrangements to provide pre-employment job experience for sub-degree students and to improve employers' understanding of the AD qualification, thereby building up their confidence in the AD graduates. In addition, institutions should put in place programmes for sub-degree students to reach out to and serve the community during term time so as to broaden their horizon and exposure.

[Recommendation 16](#): To enhance the **employability** of the sub-degree graduates, we recommend that the post-secondary institutions should engage in regular dialogues with professional bodies, employers' federations and the business sector in the **curriculum development and internship arrangements** to improve employers' involvement in the development of sub-degree programmes and to provide pre-employment job experience for sub-degree students. We also recommend that sub-degree students be given the opportunities to serve the community so as to broaden their horizon and exposure.

(c) Developing Online Job Information System for Sub-degree Sector

7.12 To sustain the industry-academia collaboration on arranging job placements and internship for sub-degree students/graduates, we propose that an online job information system, similar to the online Joint Institutions Job Information System (JIJIS) established by the UGC-funded institutions, should be developed for the self-financing sub-degree sector. As with JIJIS, the proposed system should enable prospective employers to post openings available to sub-degree graduates and assist sub-degree students in job search. We also recommend that self-financing post-secondary institutions should strengthen career counseling and employment/placement services for their sub-degree students.

[Recommendation 17](#): We recommend that the Government should facilitate the setting up of an **online job information system**, similar to the JIJIS for UGC-funded institutions, for the self-financing sub-degree sector, and that the self-financing post-secondary institutions should strengthen **career counseling and employment/placement services** for their sub-degree students.

(d) Gauging Employers' Opinions and Graduates' Progression Pathways

7.13 The Government has been conducting employer opinion surveys on a regular basis to gauge the latter's opinions on the performance of publicly-funded degree and sub-degree graduates. The findings have

been forwarded to the institutions concerned to enable them to refine their curriculum design and programme delivery. We suggest that the surveys should be extended to cover self-financed sub-degree graduates. Moreover, to examine the progression pathways of sub-degree graduates, EDB would commission tracking or longitudinal surveys on sub-degree graduates. Such surveys will provide valuable information for reference by the Government, the institutions, the business sector, and the community at large.

[Recommendation 18](#): We recommend that **regular employer opinion surveys and tracking/longitudinal surveys** should be conducted to provide feedback on the sub-degree graduates' performance and progression pathways for reference by the Government, the institutions, the business sector and the community at large.

Articulation Opportunities for Sub-degree Graduates

7.14 During our consultation session with sub-degree students on the Phase 1 Review Report, they have unanimously urged the Government to provide more publicly-funded senior year places for articulation. There are also complaints about how the senior year places and the First-Year-First-Degree (FYFD) places through the non-JUPAS route in the UGC sector have been allocated.

Discussion and Recommendations

(a) Articulation in Publicly-funded Institutions

7.15 Recognising the aspirations of sub-degree graduates for further studies, the Government has already created or committed to create about 3 800 publicly-funded senior year (Year 2 and Year 3) undergraduate places in the UGC-funded institutions by phases from the 2005/06 to 2010/11 academic years. The creation of these senior year places would provide more articulation opportunities for sub-degree holders to further their studies in the UGC-funded institutions. According to the original programme, there will be about 2 000 Year 2 and Year 3 places in the UGC sector by the 2007/08 academic year.

7.16 Nevertheless, to speed up the provision of articulation opportunities at the UGC-funded institutions, the SC recommends that the Government consider bringing forward the creation of all the committed senior year places at intake level to the 2008/09 academic year.

[Recommendation 19](#): We recommend the Government, in consultation with the University Grants Committee (UGC), should **bring forward the creation of all the committed senior year places at intake level** in the UGC-funded institutions to the 2008/09 academic year.

7.17 As regards further increase in senior year places beyond the places committed by the Government, given the resources and capacity constraints, we agree that the UGC-funded institutions should be allowed time to deliver the committed places first, while preparing for the implementation of the four year undergraduate programmes in the 2012/13 academic year.

7.18 Regarding admission of students to the senior year places of the UGC-funded programmes, the SC agrees that it is a matter within institutions' autonomy. That said, the UGC has made clear to the institutions that admission to the publicly-funded senior year places must be based on merit (e.g. academic achievements and performance during interviews), and be open in nature. Institutions should consider the background and circumstances of each applicant on its own merit. The UGC will continue to monitor the situation to ensure that admissions are done in a fair and open manner.

(b) Articulation in Self-financing Institutions

7.19 There is a limit to which Government and the institutions can expand the number of publicly-funded senior year places within a short period of time. Indeed, most of the institutions would have reached their maximum capacity by the 2008/09 academic year after they have put in place all the committed senior year places (Recommendation 19 above). Even if funding is available, it would be unrealistic to press the UGC-funded institutions to provide substantially more senior year places before their 3+3+4 related capital projects are completed for the intake of an additional year of undergraduate studies and when they are preparing

for the double-cohort year. In line with our objective to promote diversity in higher education, we consider that the self-financing sector can play a pivotal role in meeting the aspirations of some of the sub-degree graduates.

7.20 As a matter of fact, there are already four local institutions²¹ with degree-awarding status, providing more than 2 300 **self-financing degree places** at intake level in the 2006/07 academic year. By way of advance standing or credit transfer, sub-degree graduates may articulate to the senior years of such degree programmes. For example, The Open University of Hong Kong has admitted some 600 students to its senior year full-time degree places in the 2006/07 academic year. In addition, four UGC-funded institutions and/or their self-financed arms, as well as the Open University of Hong Kong, are providing **self-financed top-up degree programmes** with a provisional intake of about 1,600 in the 2006/07 academic year²². These articulation routes are complementary to the provision of publicly-funded places at the UGC-funded institutions, and providing increasingly popular and viable alternatives for sub-degree graduates.

7.21 Given the capacity constraints of the UGC-funded sector as explained above, and in line with the objective of injecting diversity into our higher education system, we see merits in fostering the development of more self-financing degree-awarding institutions and private universities in Hong Kong. Subject to resources availability, suitable support measures, such as land grant at nominal premium for campus development and possible one-off grants for self-financing universities to upgrade their facilities might be provided. For instance, upon its upgrading as a university, the Government has provided the Hong Kong Shue Yan University with \$200 million for the setting up of a General Development Fund to support the long-term development of the university.

²¹ The City University of Hong Kong, the Open University of Hong Kong, Hong Kong Shue Yan University and Chu Hai College of Higher Education.

²² The figures are provisional intake figures in the 2006/07 academic year collected from the City University of Hong Kong, College of International Education of Hong Kong Baptist University, Lingnan University, the Hong Kong Polytechnic University and its self-financing arm School of Professional Education and Executive Development (SPEED), as well as the Open University of Hong Kong as in December 2007.

[Recommendation 20](#): Noting the limits of providing top-up degree places in the University Grants Committee sector, we recommend that the Government should provide suitable support measures to facilitate the development of **self-financing degree-awarding institutions and private universities**, thereby expanding the articulation opportunities for sub-degree graduates.

7.22 For meritorious students who have successfully completed sub-degree programmes, we agree that some form of support could be given to enable them to further their studies at local universities. We believe that the proposed extension of FASP to cover sub-degree graduates pursuing full-time locally-accredited self-financing degree programmes (Recommendation 14 above) could encourage the development of self-financing degree and top-up programmes in Hong Kong, thereby providing more articulation opportunities to our sub-degree graduates.

7.23 Apart from local courses, sub-degree graduates may articulate into the senior years of non-local degree courses offered in Hong Kong. Chapter 9 will discuss further the regulatory regime for the non-local courses in Hong Kong. As at December 2007, there are about 350 such courses being offered. Moreover, some 160 institutions in 10 countries and regions recognize our AD qualifications for admission to their degree courses or for credit transfer.

Safeguarding Quality of the Self-financing Degree Sector

7.24 The proposal to extend FASP to support sub-degree students articulating in self-financing degree programmes would stimulate the demand for and supply of locally-accredited degree (and top-up degree) programmes. In the light of the experience in developing the self-financing sub-degree sector, it is imperative to put in place measures from the outset to uphold the quality and standard of self-financing degree and top-up programmes if the Government decides to extend student finance to cover students of these programmes. To this end, we recommend that similar quality assurance and transparency measures (e.g. good practices and information portal for the self-financing sub-degree sector) should be developed for the self-financing degree sector. Moreover, we recommend that the QA agencies responsible for degree

programmes, including the HKCAAVQ and the Quality Assurance Council (QAC) recently set up under the UGC, should jointly discuss QA issues pertaining to the self-financing degree sector. The Government should play a facilitating and coordinating role in this regard.

Recommendation 21: Recognizing the importance of ensuring the **healthy and sustainable development of the self-financing degree sector** (including top-up degrees), we recommend that (a) quality assurance and transparency measures for the self-financing degree sector should be put in place from the outset; and (b) the quality assurance (QA) agencies responsible for degree programmes, including the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and the Quality Assurance Council of the University Grants Committee, should jointly discuss QA issues relating to the self-financing degree sector.

CHAPTER 8: LEGISLATIVE AND REGULATORY FRAMEWORK

8.1 Self-financing post-secondary education institutions in Hong Kong are subject to different regulatory regimes. This Chapter discusses the current legislative framework for the post-secondary education sector and proposes ways to streamline and rationalize the framework.

Existing Regulatory Regimes

8.2 Broadly speaking, educational institutions offering post-secondary programmes in Hong Kong can be divided into two broad categories: (a) local institutions governed by their respective statutes; and (b) local post-secondary institutions governed by either the Post Secondary Colleges Ordinance (Cap. 320) or the Education Ordinance (Cap. 279). As for non-local higher and professional education courses conducted in Hong Kong, they are regulated under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493). The legislative and registration framework witnesses the evolution of the post-secondary education sector in the last few decades and reflects the changing needs of the community for higher education.

(a) Statutory Institutions

8.3 Apart from the eight UGC-funded institutions, four other local post-secondary institutions are governed by their respective statutes, namely, Hong Kong Art School, Hong Kong Academy for Performing Arts, The Open University of Hong Kong and the Vocational Training Council. The statutes provide the institutions concerned with a high degree of autonomy over academic and non-academic matters while maintaining an appropriate level of public accountability. Most of the statutory institutions have established self-financing arms (e.g. community colleges) under the empowering provisions of their respective legislation²³ to provide continuing education and sub-degree programmes.

²³ The governing legislation empowers the councils of these institutions to establish schools or corporations.

(b) Non-statutory Institutions

(i) Local Institutions governed by the Post Secondary Colleges Ordinance (Cap.320)

8.4 Three post-secondary institutions, namely Hong Kong Shue Yan University, Chu Hai College of Higher Education and Caritas Francis Hsu College, are registered under the Post Secondary Colleges Ordinance (PSCO). The PSCO, enacted in 1960, sets out in detail the conditions that an institution has to fulfill before it can be considered for registration as a post secondary college. To pave the way for the development of private universities in Hong Kong, the Post Secondary Colleges (Amendment) Ordinance was enacted in 2001 to enable registered post secondary colleges to award degrees subject to the approval of the Chief Executive (CE) in Council. That said, some of the conditions, such as the requirements that major courses provided by the institution must be at least four years, that its students must be at least 17 years of age and that it may only establish institutes or departments of research or special studies with the approval of the Permanent Secretary for Education (PSED), have been maintained. These requirements may be considered outdated in light of the rapid development of the self-financing post-secondary sector in the past few years.

(ii) Local Institutions governed by the Education Ordinance (Cap. 279)

8.5 Given the existing requirement that courses provided by a post-secondary college under the PSCO must be of at least four years' duration, a number of institutions offering 2-year and 3-year post-secondary programmes at the sub-degree level cannot fulfill the registration criteria under the Ordinance. These institutions have to be registered under the Education Ordinance. Originally designed for the regulation of schools at secondary or below level, the Education Ordinance also provides that PSED may give approval for schools to provide post-secondary education. Specifically, the Ordinance stipulates that "any institution, organization or establishment which provides for 20 or more persons during any one day or 8 or more persons at any one time, any nursery, kindergarten, primary, secondary or post-secondary education or any other educational course by any means, including

correspondence delivered by hand or through the postal services, must be registered or provisionally registered under the Education Ordinance unless exempted”.²⁴

(c) Non-local Higher Education Courses

8.6 Apart from programmes provided by local institutions, there are over 1 000²⁵ “non-local” post-secondary education programmes operating in Hong Kong either independently or jointly with a local partner (e.g. a local post-secondary institution). These courses are regulated under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493). They are required by law to have effective measures in place to ensure that their standard is maintained at a level comparable with the same course conducted in the home country. Application for registration of a course leading to the award of non-local higher academic qualification by a non-local institution will only be approved if the course in question meets the specified criteria.²⁶

8.7 The Ordinance also stipulates conditions where non-local courses can be exempted from registration²⁷ (see **Annex L**), but such exempted courses are still required to meet the standard expected of registered courses, submit annual reports and observe all the rules and regulations governing advertisements, refund arrangements, safety of premises, etc in the same way as registered non-local courses. The Registrar of Non-local Higher and Professional Education Courses is in charge of the whole registration/exemption process, and will normally seek the independent advice of the HKCAAVQ to determine if a course has met the criteria for registration. As at end December 2007, there are 1,173

²⁴ Exempted schools include institutions which have their own governing legislation, institutions registered under the PSCO, government schools, schools solely providing courses within the meaning of the Non-local Higher and Professional Education (Regulation) Ordinance, schools providing solely religious education, and schools specified in section 9(1)(c)(i.e. schools exempted from the two repealed Education Ordinances (1952 and 1913) by notification in the Gazette and the exemption of which has not been withdrawn) of the Education Ordinance.

²⁵ As at end December 2007.

²⁶ The criteria include: (a) the institution must be a recognized non-local institution; (b) effective measures must be in place to ensure that the standard of the course offered are maintained at a level comparable to a course leading to the same qualification conducted in its home country; and (c) this comparability in standard must be recognized by the institution, the academic community and the relevant accreditation authority (if any) of the home country.

²⁷ Courses may be exempted from registration if they are courses conducted in collaboration with a specified local institution of higher education.

non-local courses being offered in Hong Kong: 426 (36%) are registered under the Ordinance and 747 (64%) are exempted courses.

8.8 The prime objective of the Ordinance is to protect local students' interest: it provides that the standard of a non-local course must be comparable with a course leading to the same qualification in the home country, as recognized by the institution awarding the qualification, the academic community and the relevant accreditation authority (if any) of the home country. The Ordinance registers and regulates on the basis of programmes rather than institutions.

Discussion and Recommendations

8.9 The three ordinances mentioned above were enacted to serve different objectives. The focus of the Education Ordinance has hitherto been on the general supervision and control of schools, whereas the PSCO governs the registration and control of post-secondary colleges. The overriding objective of the Non-local Higher and Professional Education (Regulation) Ordinance is to protect local students' interest by ensuring that the standard of a non-local course offered in Hong Kong is comparable to a course leading to the same qualification conducted in its home country.

8.10 Taken these three ordinances together, the current regime does not provide a tidy, rational and modern framework for regulating the post-secondary sector, in particular the non-statutory institutions. Indeed, some post-secondary institutions that are governed by the Education Ordinance have complained that the provisions, when applied to post-secondary institutions, are overly restrictive and administratively cumbersome.

(a) Local Courses

8.11 In the light of the foregoing, we see merit in reviewing and updating the PSCO so as to provide a more comprehensive, rational and streamlined framework for regulating the local non-statutory post-secondary institutions, thereby facilitating the healthy and long-term

development of the sector. To this end, the Government has conducted a preliminary review of Cap. 320 and identified a number of areas which may require further examination and/or amendments. These are set out in **Annex M**.

8.12 The proposed amendments to the PSCO seek to subject all local non-statutory post-secondary institutions to a single legislation, thereby enhancing the efficacy, consistency and equity of our regulatory regime. Consideration should be given to whether and what transitional arrangements would be required, and how institutions offering both senior secondary and post-secondary education should be dealt with. The post-secondary institutions and other stakeholders would be consulted in the review exercise.

Recommendation 22: To support the long-term and sustainable development of the self-financing sub-degree and degree sector, we recommend that the Government should **review the Post Secondary Colleges Ordinance (Cap. 320)** with a view to providing a more up-to-date, streamlined and comprehensive legislative framework for regulating the non-statutory post-secondary education providers operating local programmes.

8.13 As regards the 12 local statutory post-secondary institutions and their self-financing arms, they are governed by their respective statutes which have provided the institutions concerned with a high degree of institutional autonomy with appropriate regulatory and quality assurance mechanisms. Considering that the individual governing legislation of the statutory institutions reflect the unique history, role and mission of the institutions involved and differ in many details, we consider it desirable to maintain the uniqueness and flexibility of the current legislative framework for these institutions. We therefore do not propose changes to the regulation of the statutory institutions at this stage.

(b) Non-local Courses

8.14 We note that there are concerns as to whether the current registration system under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493) could provide adequate

protection for consumers. Indeed, we have considered the option of subsuming all the governing ordinances into an omnibus legislation to provide an overarching legislative framework for both non-statutory local post-secondary education institutions as well as non-local courses conducted in Hong Kong. However, in view of the different background and objectives of regulating the non-statutory local institutions and non-local courses, an omnibus legislation would complicate the review and deliberations and may not be appropriate. We recommend that this priority should be given to improving the regulatory framework for local non-statutory post-secondary institutions.

8.15 As discussed in Chapter 5, our recommendation to extend FASP to cover sub-degree graduates pursuing locally accredited degree and top-up degree programmes (Recommendation 14 above) may also have the effect of encouraging the non-local courses to undergo accreditation and/or more rigorous QA procedures adopted by the self-accrediting institutions. Moreover, the Qualifications Framework (QF) will provide a common platform for benchmarking quality-assured non-local and local courses, as non-local programmes offered in Hong Kong, irrespective whether they are registered or exempted under Cap.493, will have to undergo accreditation by the HKCAAVQ in order that they can be uploaded onto the Qualifications Register and be recognized under the QF. We believe that these developments would be conducive to upholding and enhancing the quality of non-local courses in Hong Kong.

8.16 In the interim, to maintain the quality of non-local post-secondary courses, EDB will step up monitoring of the courses in consultation with the HKCAAVQ. Measures being actively considered include collection of more detailed information on programmes seeking exemption from registration, publicizing the status of submission of annual returns/reports by course providers, and others. We believe that such measures will strengthen EDB's monitoring of non-local courses and enhance/ensure compliance.

CHAPTER 9 : THE WAY FORWARD

9.1 In conducting the Phase 2 Review, the Steering Committee (SC) unanimously agreed that improving the quality of the self-financing post-secondary sector is most critical and crucial to ensuring the healthy and sustainable development of the sector in the long run. The SC has therefore come up with a number of recommendations to address the key concerns about quality and quality assurance of the post-secondary sector.

Consultation with Stakeholders

9.2 During the course of the Phase 2 Review, the Government has met extensively all the key stakeholder groups, including the Federation for Continuing Education in Tertiary Institutions, and the main student concern group. While some of the recommendations which have been put forth by the SC may require further deliberations and are subject to resources availability, we consider that a number of recommendations, in particular those relating to improving quality and transparency, should be implemented as a matter of priority.

Initial Preparatory Work

9.3 In view of the importance attached by the LegCo, students and the community at large to the quality and transparency of the sub-degree sector, EDB has, in consultation with JQRC, the HKCAAVQ and the post-secondary institutions, kick-started the preparatory work for those proposals related to enhancement of quality and transparency. For example, we have established the EDB/JQRC/HKCAAVQ Tripartite Liaison Committee last year for discussion of quality-related issues (Recommendation 4), commissioned the FCE to draw up/revise Common Descriptors for HD and AD (Recommendation 1), engaged the institutions in the development of the information portal for self-financing sub-degree programmes (Recommendation 6) and set up the Expert Group for developing the Good Practices for the Sub-degree Sector (Recommendations 5). We have also invited FCE to develop a proposal on the online job information system for sub-degree sector (Recommendation 17), and commissioned the JQRC to conduct the first tracking survey on sub-degree graduates (Recommendation 18). Taking

into account the views to be received during the public consultation exercise, we hope to be able to implement the above-mentioned recommendations as early as practicable.

9.4 As for those recommendations which carry significant financial implications, the Government will examine them carefully and decide on the way forward, having regard to funding availability. These include primarily the proposed improvements of FASP to provide means tested loans for living expenses (Recommendation 13), the proposed extension of FASP to cover sub-degree graduates pursuing self-financing locally-accredited degree programmes (Recommendation 14) and the launch of a Quality Enhancement Grant Scheme (Recommendation 12). The Finance Committee of the LegCo will be consulted on any new and modified schemes put forward by the Government at a later date.

Conclusion

9.5 We strongly believe that the support of post-secondary education providers, students and the community as a whole is of crucial importance in facilitating a healthy and long-term development of the post-secondary education sector. It is only through the concerted efforts of all parties that we will be able to sustain the vibrancy of the sector.

Annexes

- A List of Recommendations of the Phase 1 Review
- B Membership and Terms of Reference of the Steering Committee
- C Common Descriptors for Associate Degree
- D Comparison of Programme Content of a Selected AD and HD Programme
- E Draft Framework for the Proposed Good Practices for the Sub-Degree Sector
- F Types of Data to be Included in the Sub-degree Website
- G Approved Start-up Loans under the Start-up Loan Scheme
- H Allocation of Sites under the Land Grant Scheme
- I Approved Accreditation Grants under the Accreditation Grant Scheme
- J Progression Pathways of Self-financing Sub-degree Graduates
- K Professional Bodies Recognizing Local AD Qualifications
- L Exemption from Registration under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493)
- M Review of Post Secondary Colleges Ordinance (Cap.320)

Phase 1 Review Recommendations

[Recommendation 1](#) : As the community has demonstrated a readiness to invest in post-secondary education, we recommend that self-financing programmes should continue to play a key role in driving and sustaining the development of this sector.

[Recommendation 2](#) : As the existing provision of sub-degree programmes can in overall terms meet community needs, we recommend that provision of self-financing post-secondary courses should primarily be demand-led, and that Government should be prepared to increase the provision of publicly-funded sub-degree courses where justified, having regard to established funding criteria.

[Recommendation 3](#) : We recommend that Government should continue to promote both HD and AD as alternative progression pathways leading to qualifications at comparable academic level, and that there should be no difference between HD and AD in terms of government subsidy or support measures.

[Recommendation 4](#) : The policy target of achieving the 60% participation rate should not be regarded as an absolute limit restricting the development of the post-secondary sector. That said, we recommend that more emphasis should now be put on consolidation of the sub-degree sector, development of articulation pathways, and quality enhancement at all levels.

[Recommendation 5](#) : We recommend that the remaining resources under the Land Grant and Start-up Loan Schemes should be used with a clear emphasis on enhancing the quality of service provision and encouraging diversity, rather than solely for increasing student places.

[Recommendation 6](#) : There are still some remaining public resources under the Land Grant and the Start-up Loan Scheme. While we see no immediate need for further injection of resources into the Start-up Loan Scheme, we recommend that suitable sites should continue to be identified to meet service demands, in particular for maintaining and enhancing existing services.

[Recommendation 7](#) : We recommend that provision of accommodation for non-local students of self-financing programmes should primarily be the institution's choice and responsibility, and that the Government should play a facilitating role.

[Recommendation 8](#) : We recommend extending the Accreditation Grant scheme to cover Institutions Reviews which are conducted for the purpose of enabling individual post-secondary institutions to achieve self-accrediting status in defined programmes areas (i.e. programme area accreditation status).

[Recommendation 9](#) : We recommend that the suggestions to expand the scope, raise the level of assistance, and relax the eligibility criteria, of the existing financial assistance for students of self-financing post-secondary courses should be taken into account in a separate review on FASP.

[Recommendation 10](#) : We recommend the release of more information on the development of the post-secondary sector for public consumption to increase market transparency.

[Recommendation 11](#) : We recommend that there should be a close dialogue between the HKCAA and JQRC, to ensure comparability in quality and standards of programmes at the same academic level.

[Recommendation 12](#) : We recommend a comprehensive review of the Common Descriptors for sub-degrees to evaluate past experience and recommend adaptations to meet changing needs.

[Recommendation 13](#) : We recommend that, where resources permit, more publicly-funded articulation places should be provided, and that institutions should be encouraged to develop credit transfer mechanisms.

[Recommendation 14](#) : We recommend that tracking surveys to gauge the opinion of employers on the performance of graduates of self-financing post-secondary programmes should be conducted.

**Review of the Post-secondary Education Sector
Steering Committee**

Membership :

Mrs Betty Fung	Deputy Secretary for Education and Manpower (1) (Chairman) (from 24 April 2006 to 15 July 2007)
Mr Michael Wong	Deputy Secretary for Education (1) (Chairman) (from 16 July 2007 onwards)
Mr Michael Stone	Secretary General, University Grants Committee
Prof TS Chan	Chairman, Joint Quality Review Committee (from June 2006 onwards)
Prof Enoch Young	Chairman, The Federation for Continuing Education in Tertiary Institutions
Mr Peter Cheung	Executive Director, Hong Kong Council for Academic Accreditation
Ms Virginia Choi	
Mr Leo Kung	
Miss Charmaine Lee	Principal Assistant Secretary for Education and Manpower (Higher Education) (Secretary) (from 23 January 2006 to 30 June 2007)
Mr Daniel Cheng	Principal Assistant Secretary for Education (Further Education) (Secretary) (from 1 July 2007 onwards)
Other stakeholders as co-opted members (on a need basis)	

Terms of Reference :

1. To review the development of the local post-secondary education sector since 2001, against the policy objective of allowing 60% of our senior secondary school leavers to receive tertiary education by 2010, and focusing in particular on full-time accredited programmes operating on a self-financing basis.

2. Pursuant to the above, to examine in detail the following –
 - 2.1 supply of programmes and student places, and the consolidation and future development of the self-financing post-secondary education sector to ensure its healthy and sustainable development;
 - 2.2 effectiveness of various government support measures for service providers;
 - 2.3 market dynamics among service providers;
 - 2.4 career and further education prospects of graduates of local sub-degree programmes;
 - 2.5 promotion and further enhancement of quality of post-secondary education programmes;
 - 2.6 effectiveness of the existing statutory and self-regulatory framework for accredited post-secondary education programmes; and
 - 2.7 merits of pursuing initiatives in other directions to provide further post-secondary education opportunities.
3. To form sub-committees and/or appoint external consultants to assist in the review as appropriate, and to steer their work in this regard.
4. Having regard to the outcome of the review, identify scope for improvement and make recommendations to the Secretary for Education and Manpower.

Common Descriptors for Associate Degree

Programme Objectives

- Generally, AD should provide an enriched education at post-secondary level that prepares students for work, further study, leisure and active citizenship. It should also cultivate a spirit of lifelong learning and develop the student's ability to learn how to learn.
- Specifically, AD should equip students with generic skills as well as specialised knowledge/skills that are sufficient to enable them to perform effectively at para-professional level, to further their studies in universities or to pursue professional studies.

Learning Outcome

AD graduates are expected to possess –

- a solid foundation of generic skills, including languages, IT, interpersonal, communication, quantitative and analytical skills, as well as the ability to learn how to learn.
- a broad theoretical understanding of the chosen discipline and its application.
- a theoretical foundation upon which further study in the discipline at the degree level, or professional level, can be built.
- an appreciation and basic understanding of other disciplines/areas of study including liberal arts/general education, and the sciences.
- a better understanding of their own interests, inclinations and aptitudes.
- an appreciation of the major socio-political, cultural and economic issues in the local, national, regional and international contexts.

- a strong sense of social responsibility and civic values, a passion in pursuing creativity and innovativeness, and the spirit of lifelong learning.
- (In the case of vocational-oriented programmes) focused, vocational knowledge of the discipline and hands-on expertise at the para-professional level.

Programmes Structure

AD can be-

- a 2-year programme normally admitting students with one A Level or an equivalent number of AS Level subjects; or
- a 3-year programme admitting S5 students. For a 3-year curriculum, the first year programme may take the form of either a standalone pre-AD or a Foundation course which forms an integral part of an AD programme.

Entry Requirements

- AD programmes should generally adopt the principle of "lenient entry, stringent exit".
- For a 2-year curriculum, the proposed normal minimum entry requirements are:
 - (a) one A Level or an equivalent number of AS Level subjects, and
 - (i) 5 passes in HKCEE including English and Chinese; or
 - (ii) 3 passes in HKCEE plus level 2 or above in English and Chinese;
 - (b) satisfactory completion of a pre-AD programme; or
 - (c) mature students.

In future, if university degrees are designed as four years of study after the completion of S6, a 2-year AD programme may admit students who have completed S6 satisfactorily.

- For a 3-year curriculum, the proposed normal minimum entry requirements are:
 - (a) 5 passes in HKCEE including English and Chinese;
 - (b) 3 passes in HKCEE plus level 2 or above in English and Chinese; or
 - (c) mature students.

Quality Assurance

- For self-accrediting universities, AD programmes must undergo their own internal quality assurance mechanism as for their regular degree programmes.
- For non-self-accrediting institutions, their AD programmes should be validated by a recognised quality assurance agency such as the Hong Kong Council for Accreditation of Academic and Vocational Qualifications.

Exit Qualifications

- AD is a valuable standalone exit qualification for employment at the para-professional level.
- AD graduates can (a) pursue further studies or professional development (on a full-time or part-time basis); or (b) enter the job market.
- As an exit qualification for further studies, an AD award is normally equivalent to 50% of a 4-year university degree (North American model) or one-third of a 3-year university degree (British model). In other words, AD graduates can articulate to Year 3 of a 4-year university degree (North American model) or Year 2 of a 3-year university degree (British model).
- As an exit qualification for employment purpose, AD should generally be considered as equivalent to that of a Higher Diploma.

Comparison of Programme Content of a Selected AD and HD Programme

Institution	Programme Name	Duration	Subjects	Credits / Units	Contact Hours	
A	Associate of Science in Professional Accountancy	2 years	<p><u>Year 1</u></p> Financial Account I & II Healthy Living * Physical Education * Adapted Physical Education *# Fundamentals of Management Accounting Business Enterprise * Mathematics for Business * Statistics * Computer Applications in Business English for Business Principles of Microeconomics * Principles of Law Modern Chinese Communication * Business Communications *	<p><u>Year 2</u></p> Corporate Reporting I & II Auditing I & II Hong Kong Taxation I & II Business Law Principles of Macroeconomics Information Systems for Accounting	65 units	975 hours
B	Higher Diploma Programme in Business Studies (Specialization in Accounting and Finance)	2 / 3 year	<p><u>Common Language Modules</u></p> Business English I & II * Business Putonghua * Chinese Communication for Business * Business Communication	2-year mode – 74 credits 3-year mode – 90 credits	2-year – 1110 3-year – 1350	

Institution	Programme Name	Duration	Subjects	Credits / Units	Contact Hours
			<p><u>Common Generic Modules</u> Problem Solving: Creative and Critical Thinking * Personal Development: Action and Service * Quantitative Analysis for Business</p> <p><u>Information Systems Skills Modules</u> Business Information Systems * Management Information Systems</p> <p><u>Business and Accounting Modules</u> Financial Accounting Cost and Management Accounting Business Economics I Business Economics II Principles of Management Foundation of Human Resource Management Commercial Law Principles of Marketing Introduction to E-commerce Operations Management Business Finance Project</p> <p><u>Elective Modules (Accounting and Finance Stream)</u> Computerized Accounting Systems Intermediate Accounting Taxation Advanced Financial Accounting Company Law Financial Management Auditing</p> <p>* Exemption for 2-year mode</p>		

Framework of Good Practices for Sub-degree Sector

Objectives of the Good Practices

The Good Practices aim at:

- (i) providing a reference document for the sub-degree sector on the essential quality assurance (QA) principles and key elements of good practices;
- (ii) promoting sharing of good practices amongst institutions;
- (iii) enhancing QA consistency across the sector; and
- (iv) improving the overall quality of the sector.

Scope of the Framework

2. The framework outlines the essential principles underlying QA work in the sub-degree sector and proposes key elements of good practices for reference by the Expert Group, focusing on the threshold standards in QA terms.

Essential QA Principles

3. The meaning of “quality assurance” in this paper is all-encompassing referring not only to the QA processes adopted by an institution but also the institution itself, its culture, facilities, management, programmes, staff, students, etc. For the purpose of the Good Practices, we have identified nine essential QA principles for the sub-degree sector.

Principle #1:

QA as institutional structure and culture

QA refers to both the institutional structure and the institutional culture. QA, involving structures, policies, procedures and resources, exists as an integral part of the normal academic activities with extensive involvement of the staff, students and

stakeholders. QA should be accorded a formal status and provides for the formulation of bottom-up and self-led initiatives. QA is essentially the institutional ethos underpinning the daily activities of teaching, learning and management.

Principle #2:

QA to maintain balance between institutional autonomy and public accountability

QA in education encompasses concepts of standards of education, and meeting the needs of the stakeholders. It allows for the maintenance of an essential level of institutional autonomy. On the other hand, institutions also have educational/social responsibilities and public accountability. The rapid expansion of the sub-degree sector, together with international competition and student transfer/graduate mobility, has given rise to the need for greater transparency. QA should aspire to achieve a healthy balance between institutional autonomy and public accountability.

Principle #3:

QA in relation to missions and resources

QA policies and procedures of the institution should reflect its missions and values, and relate closely to its academic/management plans and resources. The complexity or otherwise of the QA structures should be built on the basis of minimum sufficiency and economy of effort.

Principle #4:

QA developed in consultative and interactive processes for the purpose of continuous improvement

In the context of the changing societal demands on educational institutions and the evolving nature of quality criteria, QA should be developed through a process of interaction and consultation with the stakeholders. Different parties play different roles in the consultation process. Due emphases on the roles of

students, student bodies and staff representatives should be recognized.

Principle #5:

QA measured in quantitative and qualitative indicators

Quality and standards are recognizable and generally measurable. As far as practicable, QA procedures should be designed to gather verifiable and evaluative data. It is expected that some common and practical quantitative criteria to measure educational quality can be established and adopted across institutions. Adoption of the quantitative criteria will gradually provide a basis for performance indicators in aspects of student achievement, staff quality, financial viability and educational outcomes. While recognizing the significance of quantifiable performance indicators, it is equally important that attention should be given to other aspects of quality provision and delivery which are less easily amenable to quantifiable monitoring.

Principle #6:

QA to include self evaluation and peer review

QA normally begins with a self evaluation complemented with a peer review. This is the process widely adopted for programme approval, validation and management. Self evaluation is an ongoing process built into activities for continuous improvement. Self evaluation also contributes to self learning about quality issues and QA practices. Peer review brings in independent and objective judgments about the quality objects being monitored. The approach of extended peer review, by involving peers from a different field or with different underlying assumptions, has proven to be useful.

Principle #7:

QA to involve external parties

QA policies should provide for the involvement of external

parties. Externality in QA process enhances transparency, independence, objectivity and international benchmarking. Similar to peer review, the external parties chosen for involvement should be based on agreed criteria of qualifications, expertise or other special consideration. There should be ethical guidelines governing the selection and participation of the external experts in different stages and for different areas of QA work.

Principle #8:

QA parties - Roles, responsibilities and delegation

QA involves many parties, units and committees. The roles, duties and terms of references of the different parties should be clearly set out to avoid misunderstanding. Clear identification of where QA responsibilities lie and are delegated is useful.

Principle #9:

QA as public information to stakeholders

Institutions should publish the QA policies as public information accessible to the stakeholders. The information should be up-to-date, impartial and objective. Both quantitative and qualitative information on the quality of the programmes and the awards being offered is of interest to the public.

Common Elements of Good Practices

4. We have identified 14 common elements which are considered to be the essential aspects of QA (the threshold standards) and should be taken into account in developing the “Good Practices”.

#1. Financial viability for sustainable growth

As most of the providers are operated on a self-financing basis, they should be financially viable, without compromising the delivery of quality education.

#2. Academic regulations (ARs)

The maturity of the sub-degree sector and the steady growth of the institutions call for the setting up of clear ARs governing the sub-degree studies. Staff and students should refer to and consistently apply the ARs in handling academic applications or in making academic decisions.

#3. Programme design, validation and approval

There are many good practices regarding programme design, validation and approval. Institution should ensure that there are processes for a critical examination and evaluation of the programmes by a party independent of the proposing unit, such as through a validation process. The criteria for approval should be set out explicitly and be followed. Programmes with professional recognition or requirements should be properly accredited, with careful scrutiny of the assessment requirements towards the professional or para-professional qualifications.

#4. Programme management, monitoring and review

Programmes are subject to routine monitoring and periodic review. In addition to the on-going monitoring, programmes are normally subject to periodic formal review after they have been implemented for 3 to 6 years. Institution should set up proper follow-up procedures for the self-evaluation and the external review exercises, together with formal procedures for monitoring changes adopted as a result of the review or re-validation.

#5. Admission

Institution should set up and follow fair and transparent admission policies. The admission policy for students with special learning needs or disabilities should be stated. The treatment of equivalent qualifications as meeting entry

requirements should be clear to the applicants and staff. Pledged support to admitted students falling short of the entry requirements should be provided. Promotional materials and activities on student recruitment must be accurate. Relevant admission data should be made public.

#6. Student assessment

Institution should have a consistent policy on student assessment. The assessment criteria should be valid and reliable, and be conveyed to students at the beginning of the academic year/semester. QA policies and preventive measures to avoid unfairness, leak of confidentiality or conflict of interest in conducting examinations should be in place.

#7. External examining

Externality in examination and assessment is a very important QA measure. There should be processes for ensuring independence, objectivity and consistency of standards in assessment, such as through the appointment of external examiners, use of moderation; etc. QA manual generally comprises a section on the policies and procedures in the nomination, selection, appointment and re-appointment of external examiners and moderators. There should be guidelines for staff to undertake follow-up actions and responses to the reports of the examiners and moderators.

#8. Quality learning

QA policies should ensure that learning in all formats contribute to the overall programme objectives. Clear information, guidance and support to the students should be provided to facilitate effective learning. Increasingly, sub-degree programmes include practical learning. Learning policies should cover the practical learning aspect to ensure that the arrangement of the placement providers is appropriate.

#9. Quality teaching

Institution should publicize explicitly that quality teaching is the key mission. Statements or philosophy on quality teaching with suggested criteria of good teaching, which define the expectations of teachers, will be useful to benchmark the teaching results.

#10. Staffing

Institution should review the effectiveness of its human resources policies and procedures regularly, including the procedures for selection, appointment, appraisal and re-appointment of staff involved at any level in the delivery or support of a programme. Policy and budget on staff development should be given due priority.

#11. Evaluating campus facilities and infrastructure

Quality teaching requires conducive learning environment, infrastructure and facilities. This in turn demands support from the administrative, the academic-support and the ancillary units. Institution should regularly review the effectiveness of its teaching and teaching-support facilities to ensure the continuing adequacy and effectiveness in relation to the programme quality. The provision of campus activities and campus life is increasingly seen as essential parts of education for student development.

#12. Collaborative programmes

This suggested good practice applies to institutions, which offer or plan to offer collaborative programmes. The awarding institution is responsible for the overall QA, financial viability and the academic standards of awards granted in its name. QA policies and mechanisms for collaborative programmes should be equally stringent and modeled on awarding institutions, with appropriate modifications as deemed necessary. Institutions

should have policies on choosing collaborative partners with compatible educational objectives, and on undertaking investigations of the legal, financial and educational capacity of the partners before formalizing an agreement. Institutions should set up mechanisms to effectively control the accuracy of information and publicity of the collaborative programmes.

#13. Handling complaints and appeals

QA policies and procedures normally comprise the handling of complaints and appeals from insiders of the institution as well as from the outsiders. Complaints and appeals may include matters of admission, assessment, staff issues and others. Ethical guidelines and proper procedures on handling the cases should be made known to the complainants, appellants and the parties involved in the investigations.

#14. Evaluating QA

Institution should set up a systematic mechanism for evaluating the effectiveness of its overall QA policies, principles and procedures on a regular basis.

Types of Data to be Included in the Sub-degree Website

(i) Institution-specific Data

Item	Description
General Operational Data	
1	Number of Full-time Students Enrolled
2	Number of Full-time Academic Staff
3	Number of Part-time Academic Staff
4	Highest Qualifications of Academic Staff
5	Academic Staff (in FTE terms)-to-Student Ratio
6	Major Teaching Facilities (e.g. Number of classroom, lecture theatre, laboratory and workshop)
7	Major Non-teaching Facilities (e.g. Number of books in the library, number of computers for student use)
8	Student Support Services
Graduate Statistics	
9	No. of Graduates in the preceding academic year
10	No. of Graduates responding to graduate survey
11	Articulation Statistics to local degree programmes
12	Articulation Statistics to non-local degree programmes
13	Employment Statistics of Graduates

(ii) Programme-specific Data

Item	Description
General Data	
14	Programme Name
15	Name of Exit Award
16	Type of Programme (pre-AD, AD, HD, other SD etc.)
17	Whether Ancillary Qualification is awarded (e.g. BTEC)
18	Normal Entry Requirements
19	Tuition Fee
20	Deposit Fee/ First Instalment
21	Mode of Delivery (e.g. Face-to-face, Mixed Mode, Distance Learning)
22	Normal Programme Duration
23	Application Period
24	Venue(s) for conducting the Programme
Recognition	
25	Accreditation Status, Date of Accreditation and Duration
26	Name(s) of Professional Bodies Offering Recognition
Engagement of Expertise External to the Course Provider	
27	Engagement of Expertise External to the Course Provider in Curriculum Development, Curriculum Assessment, Programme Review and Approval Process
Internship	
28	Availability of Workplace Experience Arrangements
29	Detailed Descriptions of Workplace Experience
30	Duration of Workplace Experience
Articulation Arrangements	
31	Formal Agreement on Credit Exemptions and Transfers Available to Graduates

Annex G

Approved Start-up loans (as at January 2008)

Loan No.	Applicant	Premises	Loan Amount (Short Term)	Loan Amount (Medium Term)	Date of Approval	Student Places	Unit Cost per place
1	The University of Hong Kong	Commercial premises in Wanchai	\$35,402,000	-	7 Dec 2001 by FC	1,200	\$29,502
2	The University of Hong Kong	Commercial premises in North Point	-	\$176,124,000	7 Dec 2001 by FC	1,300	\$135,480
3	Hong Kong Baptist University	Commercial premises in Kowloon Tong	-	\$86,201,000	7 Dec 2001 by FC	900	\$95,779
4	The Hong Kong Polytechnic University	Professional Complex at Hunghom Campus	\$32,700,000	-	7 Dec 2001 by FC	800	\$40,875
5	Lingnan University	Commercial premises in Tuen Mun and Causeway Bay	\$10,597,000	-	7 Dec 2001 by FC	450	\$23,549
6	Lingnan University	New buildings in Tuen Mun Main campus	-	\$205,735,000	7 Dec 2001 by FC	1,200	\$171,446
7	The Hong Kong Institute of Education	Commercial premises in Tai Kok Tsui	\$15,000,000	-	26 Mar 2002 by SEM	500	\$30,000
8	The Chinese University of Hong Kong	Commercial premises in Central	-	\$135,274,000	26 Apr 2002 by FC	900	\$150,304
9	Caritas-Hong Kong	Commercial premises at MTR Kowloon Station	\$15,000,000	-	21 Jun 2002 by SEM	526	\$28,517
10	City University of Hong Kong	Commercial premises in Kowloon Bay	\$44,756,000	-	21 Jun 2002 by FC	1,500	\$29,837
11	Vocational Training Council	New buildings in IVE Tsing Yi Campus	-	\$266,400,000	21 Jun 2002 by FC	2,438	\$109,270
12	International Education and Academic Exchange Foundation Company Limited	Commercial premises in Cheung Sha Wan and TST	\$7,148,000	-	30 Dec 2002 by SEM	420	\$17,019
13	Education and Learning Institute (Hong Kong) Limited	Commercial premises in Causeway Bay	\$4,000,000	-	4 Mar 2003 by SEM	225 (closed in July 2005)	\$17,778
14	The University of Hong Kong	New campus in Kowloon Bay	-	\$279,256,000	27 June 2003 by FC	2,000	\$139,628
15	Hong Kong Baptist University	New campus in Shek Mun, Shatin	-	\$359,200,000	27 June 2003 by FC	2,400	\$149,667
16	Caritas-Hong Kong	New campus in TKO Area 73B	-	\$188,000,000	27 June 2003 by FC	1,434	\$131,102
17	The Hong Kong Polytechnic University	New campus in Hunghom	-	\$424,714,000	27 June 2003 by FC	3,000	\$141,571

Loan No.	Applicant	Premises	Loan Amount (Short Term)	Loan Amount (Medium Term)	Date of Approval	Student Places	Unit Cost per place
18	The Chinese University of Hong Kong-Tung Wah Group of Hospitals Community College	New campuses in Mongkok	-	\$346,050,000	5 Dec 2003 by FC	2,565	\$134,912
19	The Hong Kong Polytechnic University	New campus in West Kowloon	-	\$458,100,000	4 Mar 2005 by FC	3,600	\$127,250
20	City University of Hong Kong	New buildings in its Kowloon Tong main campus	-	\$599,500,000	24 Jun 2005 by FC	6,000	\$99,917
21	Po Leung Kuk (for The University of Hong Kong School of Professional and Continuing Education – Po Leung Kuk Community College)	New buildings in its HQ in Causeway Bay	-	\$254,000,000	24 Jun 2005 by FC	2,000	\$127,000
22	The Open University of Hong Kong	New buildings in its Ho Man Tin campus	-	\$120,000,000	24 Jun 2005 by FC	1,200	\$100,000
23	HKCT Group Ltd. (for Hong Kong College of Technology)	Commercial premises in Hunghom	\$10,875,000	-	3 Jan 2006 by SEM	451	\$24,113
24	Hang Seng School of Commerce	New building in its Siu Lek Yuen campus	-	\$32,400,000	24 Mar 2006 by FC	280	\$115,714
25	The Chinese University of Hong Kong	Commercial premises in Central	\$22,743,000	-	24 Mar 2006 by FC	600	\$37,905
Total:			\$198,221,000	\$3,930,954,000	-	37,664	(average unit cost) \$109,632
Total loan amount approved			\$4,129,175,000		-		

Allocation of Sites (as at January 2008)

Site Location	Grantee	Maximum GFA (m ²)	Committed Student Places
<u>Site 1</u> KIL No. 11163 Hunghom Bay	HK Poly U	26,316	3,000
<u>Site 2</u> NKIL No. 6429 Kowloon Bay	HKU	15,577	2,000
<u>Site 3</u> TKOTL No. 91, Area 56, TKO	Not allocated	10,470	-
<u>Site 4</u> STTL No. 540 Shek Mun	HKBU	28,300	2,400
<u>Site 5</u> TKOTL No. 92, Area 73 B, TKO	Caritas - HK	14,610	1,434
<u>Site 6</u> KIL No. 11176, West Kowloon Reclamation	HK Poly U	31,696	3,600
<u>Site 7</u> Tung Chung TL No. 39, Tung Chung	Not allocated	18,624	-
<u>Site 8</u> TKOTL No. 97, Area 73B, TKO	Not allocated	30,000	-
	Total	175,593 (of which 116,499 is on allocated sites)	12,434

Annex I

Approved Accreditation Grants (as at January 2008)

Institution	No. of Institutional Reviews	No. of Programme Validations	Total Grant
Hong Kong College of Technology	1	9	\$1,821,750
Caritas Bianchi College of Careers	1	3	\$1,235,000
Hong Kong Institute of Education	-	5	\$1,003,600
Hong Kong Institute of Technology	1	10	\$2,449,300
Caritas Francis Hsu College	-	6	\$1,198,100
Po Leung Kuk Community College	1	3	\$1,150,550
Hong Kong Learning Community College	1	2	\$1,066,500
Hang Seng School of Commerce	1	2	\$922,000
Hong Kong Shue Yan University	-	6	\$2,319,150
Hong Kong Computer Institute	1	2	\$1,016,000
CCC Kung Lee College	1	1	\$717,300
The Art School, Hong Kong Arts Centre	1	2	\$914,400
Chu Hai College of Higher Education	1	8	\$4,984,500
Total	10	59	\$20,798,150

Note –

We subsidise the full amount of the cost of institutional review and 50% of the cost of programme validation.

Summary on Progression Pathways of Self-financing Sub-degree Graduates by Types of Programmes

Academic Year 2001/02 ^[1]

Programme Type	No. of Graduates	No. of Respondents (D)+(H)	Pursuing Further Study						Not Pursuing Further Study							
			Articulated to Local University			Articulated to Overseas Institution			Total (D)=(A)+(B)+(C)	Full-time Employed (E)		Part-time / Underemployed (F)		Unemployed (G)		
			Undergraduate (A)	Others ^[2] (B)	Undergraduate (C)	Undergraduate (D)	Part-time / Underemployed (F)	Unemployed (G)								
Associate Degree	349	338	108	32%	12	4%	116	34%	236	70%	90	27%	2	1%	10	3%
Higher Diploma ^[3]	719	538	28	5%	10	2%	6	1%	44	8%	356	66%	68	13%	70	13%
Total	1 068	876	136	16%	22	3%	122	14%	280	32%	446	51%	70	8%	80	9%

Academic Year 2002/03

Programme Type	No. of Graduates	No. of Respondents (C)+(G)	Pursuing Further Study				Not Pursuing Further Study							
			Articulated to Local University		Articulated to Overseas Institution		Total (C)=(A)+(B)	Full-time Employed (D)		Part-time / Underemployed (E)		Unemployed (F)		
			Undergraduate ^[4] (A)	Others (B)	Undergraduate (C)	Others (D)		Full-time Employed (D)	Part-time / Underemployed (E)	Unemployed (F)				
Associate Degree	1 654	1 282	767	60%	81	6%	848	66%	393	31%	24	2%	17	1%
Higher Diploma ^[3]	1 048	939	191	20%	6	1%	197	21%	604	64%	71	8%	67	7%
Total	2 702	2 221	958	43%	87	4%	1 045	47%	997	45%	95	4%	84	4%

Academic Year 2003/04

Programme Type	No. of Graduates	No. of Respondents (D)+(H)	Pursuing Further Study					Not Pursuing Further Study								
			Articulated to Local University		Articulated to Overseas Institution			Total (D)=(A)+(B)+(C)	Full-time Employed (E)		Part-time / Underemployed (F)		Unemployed (G)			
			Undergraduate ^[4] (A)	Others (B)	Undergraduate (B)	Sub-degree (C)	Others (D)		Full-time Employed (E)	Part-time / Underemployed (F)	Unemployed (G)					
Associate Degree	2 949	2 519	1 484	59%	99	4%	1	0%	1 584	63%	845	34%	38	2%	52	2%
Higher Diploma ^[3]	2 494	2 390	612	26%	75	3%	1	0%	688	29%	1 331	56%	109	5%	262	11%
Total	5 443	4 909	2 096	43%	174	4%	2	0%	2 272	46%	2 176	44%	147	3%	314	6%

Academic Year 2004/05

Programme Type	No. of Graduates	No. of Respondents (D)+(H)	Pursuing Further Study					Not Pursuing Further Study								
			Articulated to Local University		Articulated to Overseas Institution			Total (D)=(A)+(B)+(C)	Full-time Employed (E)		Part-time / Underemployed (F)		Unemployed (G)			
			Undergraduate ^[4] (A)	Others (B)	Undergraduate (B)	Sub-degree (C)	Others (D)		Full-time Employed (E)	Part-time / Underemployed (F)	Unemployed (G)					
Associate Degree	3 609	3 249	2 077	64%	85	3%	10	0%	2 172	67%	949	29%	48	1%	80	2%
Higher Diploma ^[3]	2 997	2 818	863	31%	32	1%	4	0%	899	32%	1 681	60%	41	1%	197	7%
Total	6 606	6 067	2 940	48%	117	2%	14	0%	3 071	51%	2 630	43%	89	1%	277	5%

Academic Year 2005/06

Programme Type	No. of Graduates	No. of Respondents (D)+(H)	Pursuing Further Study					Not Pursuing Further Study								
			Articulated to Local Degree Programmes		Articulated to Non-local Degree Programmes		Others ^[5] (C)	Total (D)=(A)+(B)+(C)	Full-time Employed (E)		Part-time / Underemployed (F)		Unemployed (G)			
			Undergraduate (A)	Others (B)	Undergraduate (B)	Others (C)			Full-time Employed (E)	Part-time / Underemployed (F)	Unemployed (G)					
Associate Degree	5 763	5 014	2 465	49%	732	15%	108	2%	3 305	66%	1 333	26%	222	5%	154	3%
Higher Diploma ^[3]	3 572	3 394	366	11%	807	24%	30	1%	1 203	36%	1 967	58%	50	1%	174	5%
Total	9 335	8 408	2 831	34%	1 539	18%	138	2%	4 508	54%	3 300	39%	272	3%	328	4%

Notes:

[1] In 2001/02, there were only sub-degree graduates.

[2] 'Others' mainly includes graduates pursuing the second sub-degree.

[3] 'Higher Diploma' includes 'Higher Diploma', 'Honours Diploma' and 'Professional Diploma'.

[4] Including 531, 994 and 656 graduates of 'Top-up Degree Programme' in 2002/03, 2003/04 and 2004/05 respectively.

[5] Including graduates pursuing non-degree programmes or programmes with unknown awarding institutions.

[6] Figures may not add up to the corresponding totals owing to rounding.

Professional Bodies Recognizing Local AD Qualifications

1. Association of Chartered Certified Accountants
2. Chartered Institute of Personnel and Development
3. Chartered Institute of Public Finance and Accountancy
4. Chartered Society of Designers
5. Hong Kong Designers Association
6. Hong Kong Institute of Bankers
7. Hong Kong Institute of Marketing
8. Hong Kong Logistics Association
9. Institute of Chartered Secretaries and Administrators
10. Institute of Cost and Executive Accountants
11. Institute of Management Specialists
12. Institute of Certified Electronic Commerce Consultants
13. Institute for the Management of Information Systems
14. Institute of Travel and Tourism
15. Internet Professionals Association
16. Society of Registered Financial Planner
17. The Association of International Accountants
18. The Chartered Institute of Bankers
19. The Chartered Institute of Logistics and Transport in Hong Kong
20. The Chartered Institute of Marketing
21. The Chartered Institute of Purchasing and Supply
22. The Chartered Insurance Institute
23. The Hong Kong Computer Society
24. The Hong Kong Institute of Accredited Accounting Technicians
25. The Hong Kong Securities Institute
26. The Institute of Administrative Management

Exemption from Registration under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493)

The registration requirement does not apply to the following three types of courses.

(a) Courses conducted in collaboration with a specified local institution of higher education

2. Courses conducted in collaboration with one of the following local institutions of higher education will be exempt from registration if the executive head of the local institution certifies that the course meets the criteria required for registration both in terms of the standing of the institution / professional body and the quality assurance and recognition status of the course:

- City University of Hong Kong
- Hong Kong Baptist University
- Hong Kong Shue Yan University
- Lingnan University
- The Chinese University of Hong Kong
- The Hong Kong Academy for Performing Arts
- The Hong Kong Institute of Education
- The Hong Kong Polytechnic University
- The Hong Kong University of Science and Technology
- The Open University of Hong Kong
- The University of Hong Kong

3. Like operators of registered courses, operators of exempted courses are required to submit annual reports and observe other rules in respect of advertisements, refund arrangements, safety of premises, etc.

(b) Purely Distance Learning Courses

4. “Purely distance learning courses” are those conducted solely through the delivery of mail, transmission of information by means of telecommunication (e.g. TV, radio or computer network), or sale of materials in commercial outlets, etc., but without the institutions, professional bodies or their agents being physically present in Hong Kong

to deliver any lectures, tutorials or examinations, etc. These courses are excluded from the registration requirement in consideration of the need to strike a balance between upholding the interests of consumer protection on the one hand and the need to avoid possible restriction on the freedom of expression (including the freedom to seek, receive and impart information and ideas of all kinds) guaranteed under Article 16 of the Bill of Rights Ordinance. However, operators of these courses are encouraged to apply for registration to demonstrate that they fulfil the registration criteria.

5. For the purpose of consumer protection, advertisements in respect of purely distance learning courses are subject to the regulation under the Non-local Higher and Professional Education (Regulation) Rules.

(c) Courses Conducted solely by Local Registered Schools and Local Institutions of Higher Education

6. Non-local courses conducted solely by local registered schools will continue to be governed by the Education Ordinance (Cap. 279). Courses operated by local institutions of higher education will be monitored under the existing quality assurance mechanisms of these institutions.

Review of Post Secondary Colleges Ordinance (Cap.320)

EDB has conducted a preliminary review of Cap. 320 and identified the following areas which may require further examination and/or amendments:

(i) *Registration Requirements*

A post-secondary institution is eligible for registration only if it has fulfilled 14 registration conditions prescribed in section 4 of the Post Secondary Colleges Ordinance. In particular, section 4(c) of the Ordinance stipulates that the courses offered by a registered post secondary college should include “major courses extending over at least four years”. With the development of an increasingly diversified post-secondary education sector, post-secondary courses now vary considerably in their lengths of study, with degree courses ranging from three to four years and sub-degree courses from two to three years. Consideration may be given to amending the Ordinance so as to reflect the varying duration of sub-degree, degree and other related programmes.

(ii) *Types of Award*

Section 10 of Cap. 320 specifies that a post-secondary institution may award degrees with the approval of the Chief Executive in Council, or award diplomas and certificates. As many post-secondary institutions are now offering sub-degree programmes leading to the award of Associate Degrees, we see a case for including sub-degree qualifications in the Ordinance so that non-statutory post-secondary institutions offering different types of awards can be registered under the Ordinance.

(iii) *Government Control*

Under section 11 of Cap. 320, registered post secondary colleges may establish institutes or departments of research or special studies only with the Permanent Secretary for Education (PSED)’s approval. When the Ordinance was enacted in 1960, the provision was intended to prevent colleges from seeking to boost their prestige by claiming to be carrying out research when

their staff and equipment are inadequate. Having regard to the developments of the post-secondary sector and the emergence of the self-financing post-secondary institutions in recent years, there may be a case for reviewing/relaxing the extent of Government's control in this area to give more flexibility to the institutions.

(iv) *Subsidiary Regulations*

Various subsidiary legislations, in the form of regulations, have been enacted under Cap. 320 to govern the constitutions and conduct of affairs of registered post-secondary colleges, and to provide regulations on premises, health and safety issues, and the admission and age of entry of students, etc. Whilst section 12(2) of the Ordinance specifies that PSED may approve exemptions in respect of any regulations made under the Ordinance, we see a case for reviewing the regulations in totality and consider the need for amendments to better reflect the development of the post-secondary sector, in particular the sub-degree sector.

(v) *Interface with the “3+3+4” new academic structure*

Following the implementation of the “3+3+4” new academic structure starting in the 2009/10 academic year and the admission of sub-degree students with Hong Kong Diploma of Secondary Education (HKDSE) results from the 2012/13 academic year onwards, we should ensure that any proposed amendments to Cap. 320 would reflect the future education landscape, taking into account new developments such as changes in sub-degree programme structures and revisions to the Common Descriptors of the Associate Degree.