

For discussion
on 20 October 2009

Legislative Council Panel on Education

2009-10 Policy Agenda: New Initiatives on Education

Purpose

This paper briefs Members on the major new education initiatives on the 2009-10 Policy Agenda.

New initiatives

Developing education services

2. The Task Force on Economic Challenges (TFEC) chaired by the Chief Executive (CE), has identified education services as one of the six industries in which Hong Kong enjoys clear advantages. Our objective is to enhance Hong Kong's status as a regional education hub and nurture talents for other industries, boosting Hong Kong's competitiveness and facilitating our long term development. With world-renowned institutions, quality teaching force and stringent quality assurance mechanisms, Hong Kong is well placed to consolidate its status as a regional education hub.

3. On the higher education front, we will step up our efforts to further internationalise and diversify the sector. Regarding internationalisation, in the 2007 Policy Address, the Chief Executive has announced a basket of measures to further develop Hong Kong into a regional education hub. This includes doubling the non-local student quotas of the publicly-funded programmes to 20%, establishing the \$1 billion HKSAR Government Scholarship Fund to provide government scholarships to outstanding local and non-local students, allowing non-local students to take on summer jobs and on-campus part-time jobs and enabling non-local students to stay in Hong Kong without limitations for 12 months after graduation. Following the implementation of these

measures in 2008, the results are encouraging. For example, the number of non-local students studying in Hong Kong higher education institutions has increased from 7 900 in the 2007/08 academic year to 9 200 in the 2008/2009 academic year. Furthermore, the HKSAR Scholarship Fund provided \$12 million scholarships in total to about 230 students in the 2008/09 academic year. Separately, over 5 000 non-local graduates have taken advantage of the new immigration arrangements for non-local graduates and applied to stay in Hong Kong after graduation.

4. Looking ahead, we expect that the institutions will continue to make use of the increased quota to enroll more non-local students. We will also explore the possibility of allowing Mainland students to pursue studies in non-local courses at degree level or above in Hong Kong. Currently, there are over 1 000 non-local courses in Hong Kong, providing degree or above level education to over 30 000 students. While these courses can admit students from overseas, students from the Mainland, Taiwan and Macao cannot enroll in these courses. We consider that if non-local courses can admit these students, more overseas institutions will be attracted to offer courses in Hong Kong, thus enhancing our status as a regional education hub. In addition, we will encourage our higher education institutions to step up exchange and promotion efforts overseas, particularly in Asia, to attract more non-local students to pursue further studies in Hong Kong.

5. As regards diversification, we consider the self-financing higher education sector has room for further expansion. In many economies, the self-financing sector plays a very important role in the provision of higher education. In recent years, we have introduced a number of measures to facilitate the development of self-financing degree-awarding institutions. These measures include the Land Grant Scheme, Start-up Loan Scheme (SLS) and Quality Enhancement Grant Scheme to facilitate development of the sector.

6. CE announced in June 2009 that the Administration would take on the recommendations of TFEC and that two urban sites would be reserved for the development of self-financing post secondary institutions. The two sites are in Ho Man Tin and Wong Chuk Hang respectively and are expected to provide 4 000 self-financing degree places. Apart from these two sites, we plan to identify more suitable sites to facilitate the development of self-financing degree-awarding institutions in future.

7. We will embark on the following measures to further support the development of these institutions –

- (a) To seek Finance Committee’s approval of increasing the total commitment of the SLS by \$2 billion. SLS provides loans to support self-financing post secondary institutions to develop new college premises and re-provision existing premises operating in sub-optimal environment, such as refurbishing vacant school premises. Since its launch in 2001, 29 loans have been approved to 18 institutions amounting to about \$4,554 million in total, leaving an uncommitted balance of \$446 million. We propose to increase total commitment of SLS to support the expected loan requirements from degree-awarding institutions for developing college premises; and
- (b) We will review the Post-Secondary Colleges Ordinance (Cap. 320) to ensure a suitable legal framework is provided for the development of self-financing post secondary institutions, taking into account the latest developments in the sector. We will thoroughly consult the sector and relevant stakeholders before finalising our proposal.

8. Regarding basic education, we will explore the possibility of allowing senior secondary students from the Mainland to take short-term courses such as summer courses offered by our degree-awarding higher education institutions and pursue senior secondary education at non-public schools in Hong Kong. Attracting Mainland senior secondary students to study in Hong Kong will give them an early opportunity to experience school lives here, encouraging them to stay on to pursue higher education later.

9. Developing education services is a long term commitment and it is of utmost importance to uphold quality. To this end, we will continue to work with the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and the University Grants Committee (UGC) to ensure our institutions provide quality education. UGC has commenced another Higher Education Review to examine such areas as the vision and role of higher education in Hong Kong, its development trend, quality

assurance and the research support strategy for the sector. It aims to submit a report to the Government in 2010.

Promotion of wider use of electronic learning resources

10. The Working Group on Textbooks and E-Learning Resources Development (WG) was set up in October 2008 to study the use and development of textbooks and electronic learning resources. The WG has held nine meetings and will soon submit its report to the Secretary for Education. The multimedia, interactive and flexible nature of electronic learning resources will improve the quality of learning and help students to engage in independent learning. Wider use of electronic learning resources will also provide the necessary support to realising electronic learning to become the mainstream learning mode for our students. In the next few years, we will invest to enhance and accelerate the development of the online depository of curriculum-based learning and teaching resources for teachers' reference and to support schools to develop pedagogical practices on electronic learning. For sustainable development of electronic learning, we will also facilitate the private sector to produce quality electronic learning resources.

Review of Pre-primary Education Voucher Scheme

11. As of the 2008/09 school year, some 85% of kindergartens (KGs) and KG students were benefiting from the Pre-primary Education Voucher Scheme (PEVS) which provides direct fee subsidy to parents on a non-means test basis and financial assistance to KG teachers and principals for their professional upgrading. The level of fee subsidy under PEVS has increased from \$10,000 per student per annum (pspa) in the 2007/08 school year to \$12,000 pspa in the 2009/10 school year, and will progressively increase to \$16,000 in the 2011/12 school year to provide support to parents. To make available more affordable KG places for the choice of needy families, the Administration has also restored an annual adjustment mechanism for the KG fee remission ceilings with effect from the 2009/10 school year according to the weighted average school fees of all non-profit-making (NPM) KGs under PEVS.

12. We understand that there are different views on the operation of PEVS and have therefore decided to kick start the review on PEVS as soon as possible later this year. We will consult stakeholders during the review process and report to the Education Panel.

Review of Non-means-tested Loan Schemes

13. It is the Government's student finance policy that no student is denied access to education due to lack of means. Non-means-tested loan schemes seek to provide an alternative channel of finance to those students who prefer to pursue their studies on their own without relying on family support, and those who do not wish to or fail to go through the means test as required under other financial assistance schemes. The Student Financial Assistance Agency (SFAA) is currently operating three types of non-means-tested loan schemes respectively for full-time students pursuing publicly-funded programmes in tertiary institutions; full-time students pursuing locally-accredited self-financing programmes at post-secondary and tertiary levels; as well as students pursuing continuing and professional education courses operated locally by recognised training bodies. Since the non-means-tested loans are not subject to means test and are unsecured, these schemes are operating on a no-gain-no-loss and full-cost-recovery basis.

14. In the 2008/09 academic year, SFAA disbursed a total loan amount of \$986 million to around 22,800 students under the three non-means-tested loan schemes. As of end of July 2009, there are a total of around 85,000 repayment accounts under these schemes. In recent years, both the number of defaulting accounts and the total outstanding amounts involved have been increasing. The percentage share of loan borrowers who have failed to repay more than two quarterly instalments has also been increasing. As at 2008/09 academic year, there are around 13,000 default cases involving a total outstanding amount of around \$640 million (including \$175 million of defaulted instalments and \$465 million of undemanded loan principal in these defaulting accounts).

15. Arising from the increasing default rate, there are wide public concerns about the effectiveness of the non-means-tested loan schemes in achieving their intended objectives, in containing the default rate, and in continuing to run on a full-cost recovery basis. In the light of these

concerns, we will conduct a review on the non-means-tested loan schemes, with a view to ensuring that reasonable financial support is provided to students pursuing post-secondary and continuing and professional education, effective measures are in place to reduce loan default rate, as well as proper use of public resources. The review would cover the scope, the eligibility criteria, application procedures, interest rate, repayment arrangements as well as measures to address the default situation. We would consult and take into account the views of all stakeholders and other concerned parties in the process. We plan to complete the review and put forward our recommendations in about a year's time.

The year ahead

16. The coming year will be a demanding and exciting year for the education sector. Apart from the above new initiatives, we will continue our effort in the implementation of the 334 academic structure. The new structure was implemented in September 2009 starting from Secondary 4, providing a broad and balanced New Senior Secondary (NSS) curriculum which offers greater diversity and choices to suit the different needs, interests and abilities of students. Our efforts to provide support to schools and teachers including professional development programmes, school leaders' workshops and designated grants for the NSS development/implementation, and to communicate with different stakeholders including parents, principals, teachers, post-secondary institutions, universities, employers through different channels will continue.

Education Bureau
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