

For discussion
on 14 December 2009

Legislative Council Panel on Education

Development of Education Services

Purpose

This paper briefs Members on the Administration's policy and measures to develop education services.

Policy

2. The Chief Executive sets out in the 2009 Policy Address the policy objective of developing education services. 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. We aim to achieve this by stepping up our efforts to further internationalise and diversify the sector for the benefit of local students and Hong Kong as a whole. We will implement various measures in this respect and the details are set out in the ensuing paragraphs.

Measures

Internationalisation

3. Internationalisation brings tremendous benefits to Hong Kong. By attracting quality non-local students to study in Hong Kong and stay and work here upon graduation, we will enlarge our talent pool and improve the quality of our population, and in turn support various sectors of the economy and thereby increasing the competitiveness of our economy. Admitting non-local students is also beneficial to our local students by creating a multi-lingual and multi-cultural environment and

bringing in new ideas and perspectives. Through this process, it will also further internationalise our higher education sector and broaden the horizons of our local students so that they are better prepared for the increasingly globalised and competitive environment.

4. We will build on the measures implemented in 2008 and continue to encourage more quality non-local students to come to Hong Kong to study. Specifically, we will –

- (a) explore the possibility of allowing Mainland students to pursue studies in non-local courses at degree level or above in Hong Kong. These courses lead to a non-local qualification and offer an alternative pathway for local and non-local students looking for further education opportunities;
- (b) 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 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; and
- (c) work with our higher education institutions to step up exchange and promotion efforts overseas, particularly in Asia, to encourage more students to regard Hong Kong as a destination for education. In this regard, since 2006, the Trade Development Council has been acting as a co-ordinator for joint promotional activities for University Grants Committee (UGC)-funded institutions in promoting Hong Kong as a regional education hub in various Asian markets such as India, Malaysia and Korea. We will continue our efforts on this front so that more students would regard Hong Kong as a preferred destination for further education.

5. We appreciate that provision of hostel or suitable accommodation is conducive to the admission of non-local students. We

will continue our existing efforts by encouraging institutions to identify suitable sites within campus for hostel development or redevelop existing campus buildings/facilities into hostels so as to maximize the development and utilization of their own campus sites, and identifying more land outside existing campuses for construction of joint hostels. We have also encouraged tertiary institutions to explore all possible options, both interim and long-term, to meet the increasing demand for student hostels. Indeed, we understand that some institutions have adopted innovative means to tackle this matter. For example, some institutions are renting spaces from organisations which run accommodation facilities, while others are providing subsidies and assistance to students to rent from the private market. In view of the limited land supply for the construction of hostels, particularly for institutions in the urban areas, and the time required to build hostels, such measures will go a long way to resolving this issue.

Diversification

6. A more diversified higher education sector will benefit our school leavers by providing them with more education opportunities and a wider choice. Measures in this area mainly entail various schemes to support the development of the self-financing higher education sector, including –

(a) Land Grant Scheme

This Scheme provides land at nominal premium to self-financing non-profit-making post-secondary institutions for the construction of purpose-built premises. Since its launch in 2002, six sites have been granted. We have reported earlier that two urban sites, situated in Ho Man Tin and Wong Chuk Hang respectively, would be reserved for interested operators to provide self-financing degree programmes. Applications for these sites will be invited in the first quarter of 2010. Taking into account time allowed for the institutions to prepare the proposals and the Selection Committee to consider the applications, we expect that the results can be announced in the latter half of 2010. The two sites together are expected to provide 4 000 self-financing degree places. We will continue to

identify other suitable sites to facilitate the development of self-financing degree-awarding institutions.

(b) Start-up Loan Scheme

This Scheme 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 intend to seek the Finance Committee's approval to increase total commitment of the Scheme by \$2 billion to support the expected loan requirements from post-secondary institutions for developing premises (further details are provided vide paper entitled "Increase Commitment of Start-up Loan Scheme", which has been submitted for discussion under another agenda item of this meeting).

(c) Quality Enhancement Grant Scheme

This \$100 million-Scheme supports projects/initiatives that can improve students' learning, teaching methods, course quality and career guidance. Since its launch in 2008, 31 applications have been approved to 19 institutions, involving a funding commitment of around \$47 million. We will continue to invite applications to this Scheme.

(d) Other one-off financial assistance

While the Government does not provide recurrent subvention (except for refund of Government rents and rates which will amount to about \$24 million in 2009-10) to self-financing post-secondary institutions, we have in the past provided one-off grants to such institutions to facilitate their development. For example, we have granted \$720 million to the Open University of Hong Kong over the years for various projects and \$200 million to Hong Kong Shue Yan University to establish a General Development Fund. We will continue to consider, upon application, the case for one-off grants to be made to support the

long-term development of self-financing, non-profit-making private universities, subject to funding availability and demonstration of genuine needs.

7. We are aware of the call from the community that we should increase publicly-funded first-year-first-degree spaces to provide more higher education opportunities for our students, especially those who meet the admission requirement of universities. Currently, student enrolment in self-financing institutions at degree or above level amount to 13% of the total student enrolment in Hong Kong. Having regard to the experiences in some of other economies such as Japan, Korea and the United States, we see tremendous scope for the self-financing sector to complement the public sector in the provision of degree programmes.

8. In promoting diversification, we will continue to ensure that quality assurance remains our top priority. Currently, self-financing institutions who would like to award degrees will have to register under the Post-Secondary Colleges Ordinance (Cap. 320). Before applying for registration, the institutions would need to go through an institutional review by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) which will look at various aspects of the institutions, including their track record in providing education, governance structure, academic standards and quality, teacher quality, quality assurance mechanisms, financial condition etc. A registered post-secondary college can seek the approval of CE-in-Council to award degrees after their programmes have been accredited by the HKCAAVQ. This process is important to ensure the quality of our programmes and institutions. We are currently reviewing the Ordinance to provide a legal framework to facilitate the development of self-financing post-secondary education sector. We will consult the sector and relevant stakeholders in the process.

Quality assurance

9. Developing education services is a long term commitment and it is of utmost importance to uphold quality. We will continue to work with the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and the Quality Assurance Council to ensure

our institutions provide quality education. UGC has commenced another Higher Education Review to examine areas such 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.

Education Bureau
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