

## **ITEM FOR FINANCE COMMITTEE**

### **HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION BUREAU**

#### **Subhead 700 General Non-recurrent**

#### **New Item “Pilot Mainland Experience Scheme for Post-secondary Students”**

Members are invited to approve a new commitment of \$100 million for launching a pilot Mainland Experience Scheme for Post-secondary Students.

### **PROBLEM**

To enable post-secondary students to learn more about the prevailing social, economic and cultural landscape of the Mainland and to enhance their long-term career opportunities in the region, we need to encourage more of them to participate in short-term programmes in the Mainland.

### **PROPOSAL**

2. The Secretary for Education proposes to create a new commitment of \$100 million to launch a five-year pilot Mainland Experience Scheme for Post-secondary Students (the Scheme) from the 2011/12 academic year to subsidise post-secondary students participating in short-term internship or learning programmes in the Mainland on a matching basis.

### **JUSTIFICATION**

3. As the socio-economic ties between Hong Kong and the Mainland are becoming closer, it is increasingly important to enhance our students' exposure to, and understanding of, the Mainland so as to prepare them for their future development in Hong Kong and the Mainland. Post-secondary institutions in

Hong Kong have reported that about 10 to 20% of their graduates are employed in jobs that require frequent travel to or stationing in the Mainland. However, most of these post-secondary institutions are providing Mainland experience opportunities to only less than 10% of their students. A few institutions are providing such opportunities to even less than 1% of their students. Currently, the Education Bureau (EDB) and University Grants Committee (UGC) do not provide designated funds to subsidise post-secondary students going on short-term programmes of exchange, internship or voluntary service.

4. We propose that subsidy should be provided to post-secondary institutions on a matching basis, to subsidise students to participate in short-term programmes including volunteer services, internships and exchange programmes in the Mainland. The objective is to encourage post-secondary students to participate in these programmes such that they will be able to see for themselves and learn more about the prevailing social, economic and cultural landscape of the Mainland through these programmes. The experience will also facilitate the long-term career development of post-secondary students, especially those who wish to explore their opportunities in the Mainland China. Providing the subsidy on a matching basis will help draw in more resources from the society.

### *Eligibility*

5. We propose that all local institutions offering locally-accredited post-secondary programmes at sub-degree and degree levels will be eligible to participate in the Scheme. Both local and non-local students who are enrolled in full-time publicly-funded or self-financing locally-accredited post-secondary programmes will be eligible. Participation is on a voluntary basis and priority should be given to those who have no or minimal Mainland experience. Each student will be able to receive subsidy under the Scheme once only (irrespective of the amount of subsidy they receive).

### *Allocation of funds*

6. Institutions will be provided with a grant ceiling calculated based on their full-time student enrollment in the 2010/11 academic year. The grants will be disbursed on a dollar-for-dollar matching basis (i.e. a 1:1 matching ratio) in respect of private donations received up to the grant ceiling of the respective institution.

7. The Scheme will be open for institutions' application once a year during a five-year period, tentatively from 1 July 2011 to 30 June 2016. The application should be accompanied by institutions' project proposals, setting out the programme objective and details, the number of beneficiaries and budget.

8. If, upon the completion of the fifth round application, there remains funding under the grant ceiling which has not yet been matched by the concerned institutions, such funds will be opened up for application by all institutions on a first-come-first-served and \$1 for \$2 matching (i.e. \$1 government grant for every \$2 raised through donation) basis until the end of the five-year period.

### *Use of funds*

9. The matching grants from the Government can only be used for the Scheme. All programmes must be arranged/endorsed by the institutions and conducive to achieving the objective of the Scheme as mentioned in paragraph 4 above. The matching grants can be used to subsidise each participating student up to \$3,000 or 50% of the cost per capita of the programme concerned (whichever is lower). The students or institutions may supplement using the matched donations or students' own contributions. It is estimated that over 30 000 students will benefit from the Scheme.

10. Institutions may use the matched funds for operating programmes under the Scheme for a period of up to eight years, i.e. from 1 July 2011 to 30 June 2019. Unspent funds will be returned to the Government at the end of the Scheme unless with the approval of EDB. Institutions will be required to absorb the recurrent costs, if any, arising from operating the programmes under the Scheme. They should not commit to any programmes that may entail financial implications other than those stipulated above on the part of the Government.

### *Account of funds*

11. Institutions should maintain separate proper books of accounts and records for the funds. They should ensure all receipts and payments in respect of the Scheme are properly and timely recorded.

### *Evaluation and monitoring*

12. An annual evaluation report, including financial accounts, reviewing the effectiveness of the programmes and accounting for the use of the funds should be submitted to EDB at the end of each year. EDB will make reference to the evaluation reports in considering future applications from the institutions concerned as appropriate.

## FINANCIAL IMPLICATIONS

13. The Government has earmarked \$100 million for the Scheme. The proposal has no recurrent financial implications for the Government. The estimated cash flow for the proposal is as follows –

	2011-12	2012-13	2013-14	2014-15	2015-16
Estimated expenditure (\$ million)	40	30	15	10	5

14. For administrative convenience and simplicity, the UGC Secretariat will deal with donations matching from all institutions concerned. This arrangement with respect to non-UGC-funded institutions carries no other policy or funding implications.

## PUBLIC CONSULTATION

15. Post-secondary institutions have been consulted and they welcome the proposal. They consider the proposal conducive to enhancing students' understanding of the Mainland's latest development. The experience earned through the Scheme would enhance students' competitiveness.

16. We consulted the Legislative Council Panel on Education on the proposed Scheme on 9 May 2011. While Members generally agreed that the proposed Scheme would be beneficial to students and supported funding learning programmes in the Mainland, they preferred to have the scope of the Scheme widened to enable students to participate in short-term programmes overseas in addition to those in the Mainland. For this reason, a majority of the Members present did not support the submission of the funding proposal to the Finance Committee. In addition, some Members did not support including non-local students, especially those who come from the Mainland, in the Scheme. Members also suggested that the Administration should set out clear guidelines on what programmes could be covered by the Scheme for institutions' reference.

17. Given that this is a pilot programme and only less than 10% of our students have participated in Mainland exchange programmes, we consider that the scope of the Scheme should be limited to programmes in the Mainland. As set out in the 2011-12 Budget, the Scheme aims to enable the participants to learn about the prevailing social, economic and cultural landscapes of the Mainland. We agree that overseas exchange programmes will also be beneficial for students. We will continue to encourage institutions to use other funding sources to facilitate students' participation in these exchange programmes at this stage.

18. We propose including both local and non-local students under the Scheme since one of the competitive advantages of Hong Kong in attracting non-local students is our proximity and personal exposure to the Mainland. Allowing non-local students to be eligible for the Scheme will enhance this advantage. We have also communicated to institutions that priority should be given to students with little or no Mainland experience. Indeed, the institutions have advised that only a few Mainland students (less than 1% of the total number of participating students) had joined this kind of Mainland experience programmes before. EDB will issue operational guidelines to institutions setting out eligibility criteria of students, scope of programmes to be included and other relevant details.

## **BACKGROUND**

19. The Financial Secretary announced in the 2011-12 Budget the proposal to allocate \$100 million to launch a five-year pilot scheme to subsidise on a matching basis local tertiary students participating in short-term internship or learning programmes in the Mainland, including visits, exchanges or voluntary services. Participants will be able to learn about the prevailing social, economic and cultural landscapes of our country through these programmes.

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Education Bureau  
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