



中華人民共和國香港特別行政區政府總部教育局  
Education Bureau  
Government Secretariat, Government of the Hong Kong Special Administrative Region  
The People's Republic of China

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17 March 2021

Clerk to Panel on Education  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong  
(Attn: Ms Angel WONG)

Dear Ms WONG,

**Panel on Education**

**Follow-up to the meeting on 5 March 2021**

I refer to your letter of 5 March 2021 to the Secretary for Education and would like to provide the following information as requested in relation to the review of the Post Secondary Colleges Ordinance (Cap. 320).

**Proposed Coverage of the Revamped Cap. 320 Regime**

2. The Task Force on Review of Self-financing Post-secondary Education (Task Force) recommended in its report submitted to the Government in December 2018 that institutions providing self-financing programmes at sub-degree and undergraduate (including top-up degree) levels, including the self-financing arms of publicly-funded institutions, as

well as institutions under the Education Ordinance (Cap. 279), should come under a unified regulatory regime for the entire self-financing sector. Pursuant to this recommendation, the revamped Cap. 320 should cover institutions providing self-financing programmes at sub-degree and undergraduate (including top-up degree) levels, the self-financing arms of publicly-funded institutions offering such programmes, and institutions under Cap 279 offering such programmes.

### **Registration and Deregistration of Post Secondary Colleges**

3. One of the legislative amendment proposals is to provide for an effective and efficient mechanism through rationalising the arrangements for registration and deregistration of post secondary colleges (the Colleges) registered under Cap. 320, in order to uphold the quality of self-financing post-secondary education.

4. At present, section 4 of Cap. 320 stipulates the requirements for registration of the Colleges, covering considerations in areas such as governance, management, accountability, teaching and learning, etc. It is proposed that the section be amended to implement a more comprehensive set of requirements, ensuring that –

- (a) the organisational structure of the governance body and staff, and the constitution, statutes or other instruments of a College are conducive to ensuring satisfactory academic and general standards and conduct, as well as the **efficient and effective governance and management** of the College;
- (b) **the number of students being admitted**, having regard to the maintenance of status and standards, facilities available and community need, is **sufficient enough to provide a meaningful learning environment and experience** that meet the learning objectives of the courses offered and consistent with the Colleges' strategic plans as amended from time to time in the light of changing circumstances;
- (c) both the **finances and sustainability** of the Colleges should be considered;
- (d) the Colleges attain and maintain an **institutional review status** from the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, to demonstrate the Colleges'

competence to operate programmes at the sub-degree and/or degree level;

- (e) the Colleges submit **strategic plans and annual reports**; and
- (f) the **development and institutional capabilities** of the Colleges are consistent with their objects and strategic plans as amended from time to time in the light of changing circumstances and prescribed standards, particularly in respect of teaching and learning, teaching capacity, and programme delivery.

5. In addition, the deregistration mechanism prescribed under section 6 of Cap. 320 is proposed to be rationalised by incorporating the following procedures –

- (a) where the Permanent Secretary for Education (PSED) is not satisfied in respect of any of the matters specified in section 4 of Cap. 320 as amended (including the enhancements highlighted in paragraph 4 above), he/she may issue a letter to the College, requesting it to provide explanations and remedies to his/her satisfaction and/or imposing conditions and/or restrictions as necessary on the operations of the College; and
- (b) if the College cannot provide explanations and remedies to the satisfaction of PSED within a reasonable period of time as specified by him/her, or fails to comply with the imposed conditions and/or restrictions, or PSED is still not satisfied in respect of any of the matters specified in section 4 after the College has implemented the remedies for a reasonable period of time, PSED may cancel the registration of the College.

6. The enhanced deregistration mechanism being proposed would provide for a fair and transparent mechanism for the PSED to consider deregistering an underperforming College of which the development and institutional capabilities fall short of its plans and prescribed standards, after providing it with a reasonable period to provide explanations and remedies, against a more comprehensive set of registration requirements.

7. Based on our records, we have not deregistered any College registered under Cap. 320 due to reasons such as poor performance and insufficient student enrolment.

## **Financial Assistance for Self-financing Post-secondary Education Institutions**

8. Given the nature of the self-financing post-secondary education institutions (self-financing institutions), the Government does not provide them with recurrent financial assistance. That said, in pursuance of the policy to support the parallel development of the publicly-funded and self-financing post-secondary education sectors, the Government has implemented a host of measures to support the self-financing institutions and provide subsidies for their students. A summary of these support measures is at the Annex.

9. Applications from the self-financing institutions under the support schemes are assessed on a meritorious basis, having regard to their respective objectives, scope, and selection criteria. In this connection, the Sub-committee on Support Measures (Sub-committee) has been established under the Committee on Self-financing Post-secondary Education to examine and assess applications from the self-financing institutions under various support schemes, including the Land Grant Scheme, the Start-up Loan Scheme, the Self-financing Post-secondary Education Fund, and the Enhancement and Start-up Grant Scheme for Self-financing Post-secondary Education; recommend to the Education Bureau (EDB) on the applications; as well as advise the EDB on the operations of the support measures.

Yours sincerely,



( Kasper NG )  
*for* Secretary for Education

**Existing Government Support Measures for  
the Self-financing Post-secondary Education Sector**

*For institutions*

- (a) **Land Grant Scheme (LGS)** – The LGS provides land sites at nominal premium or vacant government premises at nominal rent to self-financing non-profit-making post-secondary institutions. Since the launch of the LGS in 2002, 11 land sites and eight vacant government premises have been granted to eligible institutions;
- (b) **Start-up Loan Scheme (SLS)** – The SLS provides interest-free loans to support the development of the self-financing non-profit-making post-secondary institutions. Since the launch of the SLS in 2001, of the total commitment of \$9 billion, 40 loans amounting to about \$7.7 billion have been approved for 18 institutions. The previous ambit of the SLS includes development of college campuses, reprovisioning of existing campuses operating in sub-optimal environment, enhancement of teaching and learning facilities, and development of student hostels;
- (c) **Self-financing Post-secondary Education Fund (SPEF)** – Since its establishment in 2011, the SPEF has received a total Government injection of \$3.52 billion. Investment returns of the SPEF are used to (i) provide scholarships and awards under the Self-financing Post-secondary Scholarship Scheme to outstanding students pursuing full-time locally-accredited self-financing sub-degree or undergraduate programmes; and (ii) support worthwhile non-works projects under the Quality Enhancement Support Scheme to enhance the quality of self-financing post-secondary education. To date, over 36 000 students have been granted awards/scholarships and over 90 projects have been approved; over \$960 million has been provided under the SPEF to benefit the sector;
- (d) **Qualifications Framework (QF) Fund** – The designated support scheme for the QF, which is supported by the QF Fund established with \$1 billion in 2014, encourages and assists education providers in seeking accreditation of their programmes and registering the qualifications and programmes on the Qualifications Register. All self-financing post-secondary education providers can benefit from the Scheme. To support the sustainable development and

implementation of the QF, the Government injected \$1.2 billion into the QF Fund in 2018 to also support various schemes/initiatives for QF development, QF-related studies/projects and public education;

- (e) **Matching Grant Scheme (MGS)** – Since 2003, the Government has launched eight rounds of MGS to help higher education institutions diversify their funding sources, by providing public funds to match private donations secured by the institutions subject to specified criteria. Self-financing degree-awarding institutions first joined the MGS in the fourth round in 2008. The seventh MGS ended in July 2019, with nearly \$500 million matching grants provided to independent local self-financing degree-awarding institutions. The eighth MGS was set up specifically for publicly-funded institutions;
- (f) **Research Endowment Fund (REF)** – An \$18 billion REF was established in 2009. The Government further injected \$5 billion in 2012 and \$3 billion in 2018 to this Fund. Part of the investment income of the Fund is used to support the self-financing degree sector on a competitive basis to enhance academic and research development. Following the approval by the Finance Committee of the Legislative Council in June 2019, the fences of the different pots of the REF had been lifted and an additional \$20 billion was injected to the Fund. After seven rounds of funding exercises, the total funding awarded for the self-financing sector is about \$524 million; and
- (g) **Enhancement and Start-up Grant Scheme for Self-financing Post-secondary Education (ESGS)** – The \$1.26 billion ESGS was launched in 2020 to provide financial support for self-financing post-secondary education institutions to develop and enhance programmes that meet market needs but require high start-up costs. Independent non-profit-making education institutions offering full-time locally accredited local self-financing sub-degree or undergraduate (including top-up degree) programmes are eligible to apply for funding, subject to a cap of \$42 million.

*For students*

- (h) **Study Subsidy Scheme for Designated Professions/Sectors (SSSDP)<sup>Note</sup>** – The SSSDP was first introduced in the 2015/16 academic year as a three-year pilot scheme and was regularised in the 2018/19 academic year. It subsidises about 3 000 undergraduate students and another 2 000 sub-degree students per cohort to pursue designated full-time locally-accredited self-financing undergraduate and sub-degree programmes in selected disciplines to nurture talent for industries with keen human resource demand. For the 2020/21 academic year, each student can receive up to about \$74,600 and \$37,300 (for laboratory-based undergraduate and sub-degree programmes respectively) or \$42,800 and \$21,400 (for other undergraduate and sub-degree programmes respectively) each year as tuition fee subsidy;
- (i) **Non-means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong (NMTSS)<sup>Note</sup>** – The NMTSS was launched in the 2017/18 academic year, which provides non-means-tested subsidises to eligible students to pursue full-time locally-accredited local and non-local self-financing undergraduate (including top-up degree) programmes in Hong Kong offered by eligible institutions (save for those enrolling in subsidised places under the SSSDP). For the 2020/21 academic year; the subsidy is up to \$32,100; and
- (j) **Student Finance** – The Working Family and Student Financial Assistance Agency provides both means-tested and non-means-tested financial assistance to students in the self-financing post-secondary education sector. The Financial Assistance Scheme for Post-secondary Students was first introduced in 2001. It was enhanced in 2008 such that full-time students pursuing locally-accredited self-financing post-secondary education programmes would have access to financial assistance in the forms of means-tested grant and non-means-tested low-interest loans, at a level comparable to their counterparts in the publicly-funded programmes.

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<sup>Note</sup> The SSSDP and NMTSS are not applicable to the University Grants Committee-funded universities or their self-financing arms because the Government has been conscious in providing more targeted support to independent self-financing institutions and their students in recent years under the principle of promoting parallel development. This is also consistent with the Task Force's recommendation that the Government should provide targeted support to institutions operating under the remit of the unified reformed regulatory regime under Cap. 320.