

ITEM FOR FINANCE COMMITTEE

HEAD 176 - SUBVENTIONS : MISCELLANEOUS

New Capital Account Subhead "One-off grant to the Open University of Hong Kong for the establishment of a Regional Learning Centre"

Members are invited to approve a new commitment of \$50 million for providing a dollar-for-dollar matching grant to the Open University of Hong Kong for the establishment of a Regional Learning Centre.

PROBLEM

The Open University of Hong Kong (OUHK) seeks financial support from Government for the establishment of a Regional Learning Centre with enhanced teaching facilities at a convenient location to relieve the space shortage problem and better serve the needs of its expanding working student population.

PROPOSAL

2. The Secretary for Education and Manpower proposes to create a new commitment of \$50 million for making a dollar-for-dollar matching grant to OUHK to support the establishment of a Regional Learning Centre.

JUSTIFICATION

3. The OUHK has achieved self-financing, self-accrediting and university status within a short span of eight years. Starting with only 4 200 places in 1989, the OUHK's student population has increased by more than six times to over 25 000 in 1999. The growth of the enrolment is expected to continue as more people are engaged in life-long learning.

4. Whilst the OUHK programmes are primarily delivered through a distance learning mode, they need to be supplemented by face-to-face tutorials for effective teaching and learning. The increasing number of students has given rise to a great demand for expansion of physical space and facilities. In 1992, the Government provided a grant of \$150 million to the OUHK's Campus Development Fund for the construction of its permanent campus in Ho Man Tin. The campus building now meets 27% of the University's overall need for teaching space. The rest is met by renting classrooms from secondary schools (54%), other universities (16%) and commercial venues (3%). For the October 1998 semester, more than 18 000 room-hours have been reserved for tutorial and study-related activities to support 25 postgraduate courses, 156 undergraduate courses and 20 sub-degree/pre-foundation courses.

5. The problem of shortage of space faced by the OUHK has been aggravated since October 1998, when the two universities currently renting teaching space to the OUHK are no longer able to do so because of their own requirements.

6. With the OUHK's rapid expansion of new programmes and increasing development of technology-based teaching, there is also a mounting pressure to conduct classes in venues that are well-equipped with information technology and multi-media facilities. Demand for student support facilities such as computers and other self-access learning facilities are also on the increase. However, not all the secondary schools renting classrooms to OUHK can offer facilities to fully meet these requirements. As for self-access learning facilities, OUHK's personal computer laboratory and language laboratory have almost reached their optimal capacity.

7. To alleviate its space shortage problem and to provide better services to its students to facilitate their studies, OUHK finds it necessary to establish a Regional Learning Centre in a commercial building along the Mass Transit Railway line. Details of the proposed Regional Learning Centre are at the

Encl.

8. In the 1998 Policy Address, the Chief Executive promulgated his vision to develop Hong Kong into a learning-based society, and the work of the OUHK is leading the way in this regard. He also encourages institutions to provide continuing learning facilities for our community's benefit, so as to let everyone have a chance to upgrade their skills if they so wish. The proposed establishment of the Regional Learning Centre seeks to take this mission one step further. The

/project

project, if materialised, will provide the urgently needed teaching and learning facilities at a convenient location, hence contributing to our mission of promoting life-long learning and the eventual enhancement of the quality of our work force.

9. In future, OUHK will continue to monitor its spatial requirements having regard to the actual utilisation of the Regional Learning Centre and the possibility of introducing new modes of teaching and learning which may overcome space constraints. It will also search for better venues to replace existing ones which are required to supplement the Regional Learning Centre in meeting the demand for space.

FINANCIAL IMPLICATIONS

10. We estimate that the project will cost \$100 million including the purchase price of around \$75 million and another \$25 million for renovation, furnishing, equipment and other contingency expenses. The OUHK has advised that it will finance the project in part through private sources but some Government support is needed to ensure that it could get off the ground as soon as possible. To support this worthwhile project and to supplement the OUHK's private financing efforts, we propose to make a grant to OUHK, on a dollar-for-dollar matching basis of up to \$50 million. Subject to Members' approval, we will make the grant of \$50 million to the OUHK in one single payment in 1999-2000 to improve its cashflow position. However, the grant may only be expended on a matching basis. Therefore, if the project turns out to cost less than \$100 million, the Government's contribution will be less than \$50 million, and the OUHK will have to return the balance to the Government. The OUHK is content with these arrangements.

BACKGROUND INFORMATION

11. The OUHK (formerly known as the Open Learning Institute of Hong Kong) was established in 1989 to provide, through open access and distance learning, tertiary education opportunities for adult learners who did not have the opportunity of receiving tertiary education when they left school. It is also the key provider of continuing education and retraining to upgrade the work force to adapt to technological, economic and social changes. The OUHK complements the formal tertiary education system and promotes life-long learning in Hong Kong. It obtained university status in May 1997. There are at present over 25 000 students enrolled in 25 postgraduate courses, 156 undergraduate courses and 20 sub-degree programmes. The OUHK also offers some 200 short courses (involving 350 classes) to over 10 000 students per year for vocational training and professional upgrading.

12. The OUHK operates on a self-financing basis. In the past few years, where appropriate, we provided capital grants to support worthwhile initiatives of the institution. These include a \$50 million grant to develop OUHK into a centre of excellence in adult education and distance learning (1997-98), a \$20 million grant to establish an electronic library (1996-97), a \$6 million grant for course development and research (1996-97), a \$50 million grant to set up the Student Loan Fund (1994-95) and another \$50 million to extend the Fund (1998-99) to provide financial assistance to OUHK students.

Education and Manpower Bureau
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**Proposed Regional Learning Centre of
the Open University of Hong Kong (OUHK)**

The proposed Regional Learning Centre will be located in a commercial building along the Mass Transit Railway line. It will take up around 1 200 square metres of usable area which will require roughly 1 700 square metres of gross area, assuming a 70% efficiency. There will be a minimum of seven tutorial rooms, a lecture theatre and a self-access learning centre with computers, multi-media systems, self-learning resources and internet connections.

2. The tutorial rooms, fitted out with basic audio-visual equipment and computer presentation systems to aid teaching, will have a total capacity of 300 or more students, making up 28% of the University's total need for teaching space. The lecture theatre will have a seating capacity of 100, and will be equipped with audio-visual and computer equipment as well as video-conferencing system for possible demonstration and virtual lectures given by speakers from a remote location. The self-access learning centre can accommodate at least 120 students, who can make use of the computer and language learning facilities for study purposes.

3. OUHK plans to put the Centre into operation from the 2000/01 academic year.