

**For Information on
17 January 2000**

**LegCo Panel on Education
The Open University of Hong Kong**

Background

The Open University of Hong Kong (OUHK) (formerly known as the Open Learning Institute of Hong Kong (OLI)) 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.

2. Before the establishment of the OLI, a planning committee was appointed by the Government to study the financial, organisational and legislative arrangements involved. The committee recommended, and the Government agreed, that the capital cost for setting up the OLI and its recurrent expenditure for the first few years should be borne by the Government. Thereafter, the OLI should operate on a self-financing basis, with its expenditure being met by tuition fees and other sources of income. Since 1993-94, the OLI has been self-financing. Based on prudent financial management principles, the OUHK has been able to record a small surplus in the recent years. The Government will, where appropriate, provide capital grants to support worthwhile initiatives of the OUHK.

3. In the past ten years, the Government has given a total of \$645 million to support the University's development. Details are as follows:

<u>Year</u>	<u>Appropriation Item</u>	<u>Appropriation Amount</u> (\$M)
1. 1989 – 1992	Funding for the establishment of the OLI	56

<u>Year</u>	<u>Appropriation Item</u>	<u>Appropriation Amount</u> (\$M)
2. 1989 – 1992	Provisions to meet the recurrent expenditure of the Institute	108
3. 1992 – 1993	Funding for the construction of a permanent campus. The present site at Homantin was granted by the Government at a nominal premium	150
4. 1993 – 1994	A fund specifically for the development of new programmes	100
5. 1993 – 1994	Provision of a grant for the development of a Bachelor of Education programme	5
6. 1994 – 1995	A one-off grant for the Institute to launch the Student Loan Scheme	50
7. 1996 – 1997	A matching grant for the establishment of an Electronic Library	20
8. 1996 – 1997	A one-off Research Grant	6
9. 1997 – 1998	A one-off grant for the University to develop itself into the Centre of Excellence in Distance and Adult Learning	50
10. 1998 – 1999	Additional grant for the University's Student Loan Scheme	50
11. 1999 – 2000	A one-off matching grant to support the University in establishing a Regional Learning Centre	50
Total		645

4. The OUHK has made significant academic achievement over the past ten years. 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, providing them with vocational training and enhancing their professional skills. In 1999, the OUHK received two international awards which marked a great step forward towards achieving its goal of developing itself into a regional centre of excellence in distance and adult learning.

Tuition Fees

5. While committed to quality improvement, the OUHK has also made vigorous efforts in cost control. At present, the tuition fee level of the OUHK is comparable to that of similar programmes offered by the University Grants Committee (UGC)-funded Institutions. The details are as follows:

	Total tuition fee	Annual tuition fee	Normal duration of study
OUHK			
Ordinary Bachelor's degree (120 credits)	\$114,000	\$19,000	6 years
Bachelor's degree with honours (160 credits)	\$155,800	\$19,475	8 years
UGC-funded Institutions			
3-year Bachelor's Degree course	\$126,300	\$42,100	3 years

Student Financial Assistance

6. In 1994, the Government provided a one-off grant of \$50 million to the OUHK for setting up a student loan fund. This facilitated the launching of the Student Loan Scheme to assist needy students in pursuing studies at the OUHK. Since the implementation of the Scheme, a total of 10 568 students have benefited from loans repayable at an interest rate of 3% per annum. In 1998, the Government injected an additional sum of \$50 million into the Fund to provide financial assistance to students who are unemployed as well as those from low-income families, thus enabling them to pursue or complete the courses concerned. The injection of this additional sum is estimated to benefit about 2 000 additional students each year.

7. In July 1998, the Finance Committee approved the extension of the Non-Means Tested Loan Scheme to cover students of the OUHK. The Scheme operates on a no-gain-no-loss and cost-recovery basis, with the objective of offering an alternative channel of finance to tertiary students. Apart from benefiting more students, the Scheme also relieves the pressure on funding requirement for the Student Loan Fund. In the 1998/99

academic year, a total of \$22.35 million in loans were granted to 1 289 OUHK students who, on average, received loans in the amount of \$17,339.

Research

8. Commencing from the 2001 academic year, we will extend the ambit of the Competitive Earmarked Research Grants of the Research Grants Council to cover research projects undertaken by the OUHK. This will be conducive to the development of the University into a centre of excellence in adult and distance learning.

Conclusion

9. The OUHK has successfully developed itself into a self-financing university, complementing the publicly-funded higher education sector and greatly fostering diversity in our tertiary education sector as a whole. The Government will continue with its efforts in supporting the development of the University, including the provision of capital grants to fund worthwhile initiatives, where appropriate.

Education and Manpower Bureau
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