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17 May 2002

Mr K Y Yeung, CBE, JP Chairman Vocational Training Council Vocational Training Council Tower 27 Wood Road Wanchai Hong Kong

We are concerned that since the publication of the University Grants Committee's report "Higher Education in Hong Kong", there have apparently arisen misconceptions among staff members as well as students of the Vocational Training Council (VTC) regarding the future mode of Government's funding provision for sub-degree courses. We would like to clearly set out the fundamental position with a view to clearing up any such misconceptions.

First, the Government has no intention to stop subsidising sub-degree courses. We recognise that there will be programmes which justify public funding. The University Grants Committee has suggested some criteria in paragraph 2.19 of its report. These are currently under public consultation. Our intention is to review the existing programmes in the light of the criteria eventually adopted.

Second, the total amount of Government resources to be put into the higher education sector will not be reduced. The - 2 -

purpose of any change will be to offer more opportunities for higher education to more people through a redeployment of resources.

Third, the proposal that sub-degree courses should generally be run on a self-financing basis, if eventually accepted by the Government, will be applied across the board to the whole higher education sector. In other words, any implications as a result of this change will not be limited to the VTC, but all the other institutions providing sub-degree courses.

Fourth, there will definitely be a reasonable transitional period as any change is effected. Affected institutions will be consulted and proper arrangements will be worked out to ensure a smooth transition.

Fifth, there will be "grandfathering" arrangements to ensure that existing students will not be affected. Subvented subdegree programmes that start before the effective date of any new arrangements will continue to be subsidised until the present cohort of students have completed their studies. No students currently in subvented sub-degree programmes will be affected.

We are pleased to note that the VTC management has already set up a high level steering group to oversee strategic planning to prepare the VTC to face new challenges ahead. We believe that with its wealth of expertise and the proactive approach now being adopted, the VTC will flourish and continue to be the leading player in the training sector.

(Philip K F Chok)
Acting Secretary for Education and Manpower

c.c. ED/VTC