

**For information**

**Legislative Council Panel on Education**

**Special Meeting on 27 June 2008**

This paper provides an update on the sub-degree education pursuant to the discussions at the Panel meetings on 14 and 28 April 2008.

**Latest development**

*Implementation of the Phase 2 Review recommendations*

2. Following Members' discussions of the findings and recommendations of the Phase 2 review of the post-secondary education sector at the Panel meeting on 14 April 2008, we made a submission to the Finance Committee of the Legislative Council on 23 May 2008 to seek provision of funds to implement the recommendations of the review (*FCR(2008-09)17*). The submission covered the following funding proposals –

- (a) improvement of the Financial Assistance Scheme for Post-secondary Students (FASP) by –
  - (i) providing means-tested loans to full-time post-secondary students pursuing locally-accredited self-financing programmes to cover their living expenses; and
  - (ii) extending the FASP to cover sub-degree graduates pursuing full-time locally-accredited self-financing degree or top-up degree programmes;
- (b) modification of the Start-up Loan Scheme (SLS) by –
  - (i) offering loans to course providers of full-time locally-accredited self-financing post-secondary programmes for enhancing teaching and other

ancillary facilities to improve students' learning experience; and

- (ii) extending the loan repayment period under the SLS from no more than ten years to no more than 20 years for existing borrowing institutions with proven financial difficulties, subject to the payment of interest at the no-gain-no-loss rate after the first ten years; and
- (c) implementation of a new Quality Enhancement Grant Scheme (QEGS) to support quality enhancement initiatives in the self-financing post-secondary sector.

The funding proposals were approved by the Finance Committee.

3. In respect of improvement of FASP, the Student Financial Assistance Agency (SFAA) is making the necessary changes to its computer system with a view to implementing the improvements in the 2008/09 academic year. SFAA will shortly announce details of the application procedures.

4. As regards the modified SLS, the Vetting Committee will draw up the detailed criteria for vetting applications for extension of the repayment period. We aim to invite applications from eligible institutions in the last quarter of this year.

5. For the QEGS, we are in the process of setting up a new Vetting and Selection Committee. We aim to invite applications from eligible institutions in the last quarter of this year.

6. Apart from the above recommendations which require funding approval from the Finance Committee, we are also taking actions to implement the other recommendations such as those relating to quality and transparency of self-financing institutions and their programmes, as well as enhancing recognition of sub-degree qualifications. For example, we have initiated discussions with quality assurance bodies to explore options to strengthen the quality assurance process. We are also collating more detailed information from institutions with a view to strengthening the information portal for the sub-degree sector (iPASS).

*Propensity of sub-degree students to pursue further studies or join the employment market*

7. At the Panel meeting on 14 April 2008, Members sought clarification from the Administration about the propensity of Associate Degree (AD) students to continue their studies or to join the employment market after graduation, especially when compared with Higher Diploma (HD) students. Members may wish to note that, as explained at the meeting, sub-degree qualifications, comprising Higher Diploma (HD) and AD, are both standalone and valuable qualifications. Both qualifications prepare graduates for work and for further studies. The HD qualification, which has a history of more than 35 years, has generally speaking fared better than AD in terms of recognition by employers. According to surveys conducted by providers, close to 60% of the HD graduates would join the employment market shortly after graduation. On the other hand, according to surveys conducted by providers, about 30% of the AD graduates would join the employment market shortly after graduation.

*Academic Accreditation and Professional Accreditation*

8. At the Panel meeting on 28 April 2008, Members passed a motion to urge the Administration to adopt measures to improve the accreditation process for sub-degree programmes. In response to the motion, we have provided a supplementary information note setting out the Administration's consideration and actions to improve the accreditation process of learning programmes that are subject to both academic and professional accreditation. Among others, the information note has explained the differences between academic accreditation and professional accreditation. We have also explained the measures being explored by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications to further enhance its cooperation and communication with the relevant professional bodies.

9. In collaboration with the relevant policy bureaux, we would also request professional bodies to consider giving provisional approval for operating a programme upon fulfillment of basic criteria prescribed by the professional bodies and issuing periodic interim reports on the

professional accreditation process within one year after the commencement of the learning programme. Furthermore, to improve the transparency of the process, providers will be required to publish the findings of the interim reports in iPASS for information of the public.

**Education Bureau**  
**June 2008**