



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, The Government of the Hong Kong Special Administrative Region
The People's Republic of China

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4 January 2017

Clerk
Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Mr Anthony Chu)

Dear Mr Chu,

**Legislative Council
Public Accounts Committee**

**Consideration of Chapter 2 of the Director of Audit's Report No. 67
Funding of universities by the University Grants Committee**

I refer to your letter of 21 December 2016 to the Secretary for Education. The requested information is now set out at Annex for reference by the Public Accounts Committee.

Yours sincerely,

(Sammy Leung)
for Secretary for Education

cc
Secretary-General, University Grants Committee
Secretary for Financial Services and the Treasury (Attn: Mr Raistlin Lau)
Director of Audit

**Legislative Council
Public Accounts Committee**

**Information on the impact of resources available to local students,
including but not limited to student hostel places,
if universities enrol more non-local students to their
University Grants Committee (UGC)-funded sub-degree (SD),
undergraduate (Ug) and taught postgraduate (TPg) programmes**

As a matter of principle, enrolment of non-local students to UGC-funded SD, Ug and TPg programmes should not be considered as creating an adverse impact on local students of these programmes. On the contrary, non-local students help diversify the local higher education sector and enhance the competitiveness of our students and Hong Kong as a whole. A multi-cultural learning environment, with students coming from other countries/regions, will help enhance cultural exchanges, broaden the horizons of the local students and ensure that our graduates, local and non-local alike, are globally competitive.

2. Moreover, whilst noting the immense benefits of recruitment of non-local students, the Government implements the following measures to ensure that the resources available to local students will not be compromised as a result of recruitment of non-local students:

(a) 20% cap on enrolment of non-local students

Recruitment of non-local students to UGC-funded SD, Ug and TPg is subject to a cap, by study level, that is equivalent to 20% of the approved student numbers. This helps strike a balance between enrolling non-local students for the benefit of the higher education sector as a whole, and ensuring that the vast majority of the student population of these programmes remains local.

(b) Admission of non-local students by over-enrolment

Starting from the 2016/17 academic year, all new non-local students of UGC-funded SD, Ug and TPg programmes must be admitted through over-enrolment outside the approved student numbers. This helps ensure that precious publicly-funded student places, including but not limited to the 15 000 first-year first-degree places, are entirely reserved for admission of local students. In other words, local students will not be “displaced” whatsoever as a result of admission of non-local students.

(c) Tuition fees for non-local students

Under existing policy, UGC-funded universities should charge non-local students of UGC-funded SD, Ug and TPg programmes tuition fees at levels at least sufficient to recover all additional direct costs, and that the tuition fees should in no circumstances be lower than the fees applicable to local students. This policy helps ensure that recurrent resources available to local students will not in any way be compromised as a result of admission of non-local students.

(d) Provision of hostel places and academic space

Under existing policy, the needs of both local and non-local students for hostel places and academic space are fully and separately taken into account when calculating the provisions available to UGC-funded universities according to the established formulae. For example, under existing policy, subject to availability of land and resources, the provision of publicly-funded hostel places to UGC-funded universities is calculated in accordance with the following criteria¹:

- (i) all local Ug students who have enrolled in UGC-funded programmes should be given the opportunity to stay in student hostels for at least one year of their courses; and
- (ii) the following students who have enrolled in UGC-funded programmes should be provided with student hostel places:
 - (1) non-local SD, Ug and TPg students;
 - (2) local and non-local research postgraduate students; and
 - (3) local Ug students whose daily travelling time exceeds four hours.

In other words, under existing policy, the number of hostel places to be provided to UGC-funded universities has already taken into account the needs of local Ug students according to (i) and (ii)(3) above, *irrespective of the number of non-local Ug students admitted*. The actual allocation of places by individual universities in a particular year will depend on the number of available places, the actual demand and their own allocation policies.

¹ The criteria are applicable to all the universities, except Lingnan University (LU) and The Education University of Hong Kong (EdUHK). LU has been provided with publicly-funded hostel places for 50% of its full-time degree student population having regard to its remote location in Tuen Mun and its aspiration to develop itself into a fully residential liberal arts university. EdUHK has been provided with publicly-funded hostel places for 50% of its full-time degree student population projected at the time of its establishment having regard to the potential benefits that hostel life would bring to the quality of pre-service teacher education.