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Panel on Education

Meeting on 1 March 2019

Background brief on the review of self-financing post-secondary education

Purpose

This paper summarizes the major views and concerns of the Panel on Education ("the Panel") on the preliminary suggestions of the Task Force on Review of Self-financing Post-secondary Education ("the Task Force").

Background

2. The Chief Executive announced in her 2017 Policy Address to set up a task force to consider issues pertinent to the development of the sector. Under the chairmanship of Professor Anthony CHEUNG Bing-leung, the Task Force was subsequently set up in October 2017 to look into issues such as the role of the self-financing post-secondary education sector, the regulatory regime and support for the sector, and the future of sub-degree education.

3. In June 2018, the Task Force released a consultation document ¹ to solicit views from members of the public on its preliminary recommendations: encourage the self-financing post-secondary institutions to identify their roles and positioning in the higher education landscape; formulate clear policies to improve the quality and governance of self-financing institutions; review and update relevant legislation to foster the development of the self-financing sector; enhance and align the regulatory framework for all institutions providing self-financing locally accredited local programmes at sub-degree and/or undergraduate levels; strengthen the role and functions of the Committee on Self-financing Post-secondary Education; reposition Associate Degree ("AD") and Higher Diploma ("HD") qualifications and review their curriculum framework and relevance; and further promote HD education's importance in promoting the economic development of Hong Kong.

¹ The consultation document can be found on <http://www.edb.gov.hk/en/about-edb/press/consultation>.

4. In December 2018, the Task Force submitted its review report² to the Education Bureau ("EDB"). A list of the Task Force's recommendations is in **Appendix I**.

Major views and concerns

5. The Panel was briefed on the preliminary observations and suggestions put forward in the Task Force's consultation document at its meeting on 13 July 2018. The major views and concerns raised by members are summarized in the ensuing paragraphs.

Regulatory and quality assurance framework

6. While some members called for a uniform regulatory and quality assurance ("QA") framework for all self-financing post-secondary institutions, some other members were worried that the proposed unified regulatory and QA framework established under the aegis of the Post Secondary Colleges Ordinance (Cap. 320) would have an impact on the overall quality of self-financing post-secondary education sector if the self-financing subsidiaries/community colleges of UGC-funded universities were to detach from the resource-rich university proper. The Task Force responded that UGC-funded institutions were currently required to keep separate financial accounts for the publicly-funded and self-financing operations. Hence, the existing facilities and resources of the self-financing subsidiaries/community colleges of UGC-funded universities should not be affected after the migration. Nevertheless, the Task Force would manage the migration process with care, taking into account any possible impact on students and teachers.

7. Questions were also raised on how the unified regulatory and QA framework established under Cap. 320 could ensure the parallel development of the publicly-funded and self-financing post-secondary education sectors, so that both the self-financing privately-run institutions and the self-financing subsidiaries/community colleges of UGC-funded universities would be benefitted. According to the Task Force, the application of the updated Cap. 320 to all institutions would open up new opportunities for institutions with good potential to become private universities. Moreover, those operators whose development and institutional capabilities fell short of their original plan after a reasonable trial period might be de-registered. As such, the quality of both the privately-run institutions and the self-financing subsidiaries/community colleges of UGC-funded universities would be enhanced under the updated regulatory regime.

² The review report can be found on <https://www.edb.gov.hk/en/edu-system/postsecondary/policy-doc>.

8. Some members were worried about the possible disputes on the establishment of the aforesaid de-registration mechanism without definite assessment criteria and length of trial period. They also enquired whether there would be any support arrangements for students whose institutions were de-registered. The Task Force advised that it saw a need for a de-registration mechanism to be established as part of an intact QA framework. However, in practice any decision on de-registration should not be made lightly and should take into account the impact on students. Details of the de-registration mechanism would be formulated in due course.

9. Some members expressed grave concern over the Task Force's recommendation of relaxing the present 10% admission quota for Mainland, Macao and Taiwan students to facilitate self-financing institutions in recruiting more students from the Greater Bay Area. The Task Force explained that the self-financing institutions were generally of the view that greater flexibility should be allowed in admitting non-local students. However, the Task Force would take heed of public views before coming up with a concrete proposal given its significant implication on public resources.

Sub-degree programmes

10. Some members supported better differentiation of the positioning of AD and HD qualifications and strongly urged the Administration to increase subsidized undergraduate degree places for articulation purpose. A member said that he would not support continuing AD programmes unless students could be guaranteed an articulation pathway to degree-level education. On the other hand, another member queried the need to retain both AD and HD qualifications as some AD programme contents were as vocational-oriented as HD programmes.

11. The Administration advised that the UGC-funded sector and self-financing sector together had provided sufficient local top-up degree programmes for eligible AD graduates. The Task Force added that it saw a need to retain both AD and HD qualifications as these programmes contributed to the development of more articulation opportunities and multiple pathways for secondary school leavers, which achieved the aim of a diversified education system.

12. Some members expressed concern that some AD graduates would articulate to Year 3 of four-year undergraduate programmes while some had to start from Year 2 or even Year 1. They considered it necessary for the Task Force to rationalize AD graduates' articulation pathway to top-up degree studies. Regarding HD programmes, the Administration was urged to offer more profession-specific programmes to better prepare graduates for employment.

Moreover, as compared to AD programmes, the costs for operating vocational-oriented HD programmes were higher. The Administration should step up its efforts in facilitating self-financing institutions in providing quality HD programmes and promoting their articulation pathways to undergraduate or higher level studies.

Differentiation of self-financing post-secondary institutions

13. There were concerns that some privately-run institutions were not competing on a fair playing field with the eight UGC-funded universities in the operation of self-financing programmes because of the branding of the latter. Some members suggested that the Administration should explore measures in facilitating self-financing institutions to identify and promote their unique positions. Some other members suggested that in identifying the distinctive roles and positioning of self-financing institutions, due consideration should be given to the uniqueness of each institution in terms of its mission, pedagogy and programmes offered.

14. The Administration advised that the Task Force recommended a unified regulatory and QA framework with an aim of aligning the standards and practices of all self-financing post-secondary institutions, including the extension arms of the eight UGC-funded universities. Subject to the finalized proposals of the Task Force, the Administration would maintain close communication with the institutions in the formulation and implementation of their strategic plans.

Latest position

15. The Panel will be briefed on the review results of the Task Force at the Panel meeting on 1 March 2019.

Relevant papers

16. A list of relevant papers on the website of the Legislative Council is in **Appendix II**.

List of recommendations of the Task Force on Review of Self-financing Post-secondary Education

- I. The policy of supporting the parallel development of the publicly-funded and self-financing post-secondary education sectors is conducive to encouraging the growth and diversity of higher education in Hong Kong. There should be a clearer differentiation between the two sectors. At the sectoral level, the self-financing post-secondary sector needs to be "reformed" and "modernised" to operate vibrantly alongside the publicly-funded sector.
- II. The Government has a role to foster strategic co-ordination amongst self-financing institutions and help them identify and develop their distinct character and niche areas, through more targeted human resource forecasts and broad guidance on strategic areas of needs. Self-financing post-secondary institutions should demonstrate how their development will respond to community needs, and how they will achieve long-term sustainability in terms of academic quality, student intake and financial viability by way of formulation and implementation of strategic plans.
- III. The role and functions of the Committee on Self-financing Post-secondary Education should be strengthened with a view to providing strategic and policy advice on the development of the self-financing sector, including advice on measures to promote, facilitate and coordinate such development in terms of scope of operation, quality and governance.
- IV. The overall support for the self-financing post-secondary sector should be reviewed to assist self-financing institutions under the reformed regulatory regime to sustain and grow. In particular, the Government may consider providing more financial support of a non-recurrent nature to facilitate improvement measures in areas such as programme and staff development or facilities upgrading with a view to enhancing teaching and learning.
- V. The prevailing binary system of sub-degree education comprising Associate Degree and Higher Diploma qualifications should be maintained at large based on better differentiation of the roles of the two qualifications.
- VI. Apart from extending the Study Subsidy Scheme for Designated Professions/Sectors to students enrolling in selected self-financing sub-degree programmes that are conducive to vocational and professional education and training in support of specific industries/sectors with pressing

human resource needs, the Government should also provide financial support to self-financing institutions for developing selective sub-degree programmes with high market relevance and high upfront investment in hardware, so as to help them take off.

- VII. Taking into consideration the development hitherto and the reception of the sub-degrees by students and by the community, the positioning of the Associate Degree and Higher Diploma qualifications should be more sharply differentiated. Associate Degree qualification should be positioned as primarily preparing students for articulation to general degree programmes; and Higher Diploma qualification should be positioned as preparing students for either immediate employment at para-professional level in relevant industries and professions, or articulation to specialised professional degree programmes.
- VIII. To further enhance the quality of sub-degree education, the Government should conduct a more focused study to review and improve the structure and curriculum of Associate Degree and Higher Diploma education to reflect their respective refined positioning within the higher education sector in Hong Kong. Higher Diploma education should be reinvigorated with stepped-up Government support measures as Higher Diploma education is able to generate appropriately trained human resources needed by many industries.
- IX. The Post Secondary Colleges Ordinance (Cap. 320) should be comprehensively reviewed and updated, making reference to comparable provisions in the statutes governing publicly-funded universities and in tandem with the academic and institutional governance expected of a modern higher education institution.
- X. The regulatory regime for the self-financing sector should be reformed to enable self-financing institutions to evolve into mature and established private post-secondary education institutions by rationalising the arrangements in respect of academic structure, strategic planning, programme development, quality assurance and governance, etc. The applicable accreditation processes and criteria should be reviewed to better complement efforts aimed at quality assurance and competency.
- XI. A clear policy underpinned by a fair and transparent mechanism (through either legislative or administrative arrangements) should be formulated such that operators whose development and institutional capabilities fall short of their original plan and prescribed standards after a reasonably long trial period – such as serious shortfalls in teaching and learning, teaching

capacity, and programme delivery - may be de-registered, with a view to ensuring that institutions can fully demonstrate their competency in continuing to offer an appropriate level of self-financing post-secondary programmes.

- XII. Institutions providing self-financing programmes at sub-degree and undergraduate (including top-up degree) levels, including the self-financing arms of publicly-funded institutions, as well as institutions under the Education Ordinance (Cap. 279), should come under a unified regulatory regime for the entire self-financing post-secondary education sector to promote coherence in quality assurance, governance, positioning and overall coordination of the sector which will be conducive to the healthy and sustainable development of the private higher education sector as a whole. The Government should encourage the development of self-financing institutions by providing targeted support to those operating under the remit of the reformed regulatory regime.
- XIII. In view of the historical background of the provision of post-secondary self-financing programmes by publicly-funded institutions, the Government should adopt a pragmatic approach for migration of the relevant self-financing arms of these institutions to the new unified regime under the Post Secondary Colleges Ordinance (Cap. 320) by supporting and facilitating the process, having regard to any possible impact on students and teachers, and flexibly addressing their concerns over linkage with the parent institution and academic accreditation.

List of relevant papers

Committee	Date of meeting	Paper
Legislative Council	18.10.2017	Official Record of Proceedings Pages 85-88 (Question 12)
Legislative Council	10.1.2018	Official Record of Proceedings Pages 137-156 (Question 22)
Panel on Education	13.7.2018 (Item II)	Agenda Minutes

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