

## **Task Force on Review of Self-financing Post-secondary Education**

### **Invitation of Views**

#### **Background and Purpose**

Since the Government's announcement in the 2000 Policy Address to increase the secondary school leavers' post-secondary education participation rate to 60% within ten years, there has been a rapid development of the self-financing post-secondary sector (including the emergence of self-financing arms of subsidised institutions and the establishment of new self-financing institutions). To achieve this policy target, the Government has been supporting a parallel development of the publicly-funded and self-financing post-secondary education sectors. In line with this policy, the Government has implemented a number of financial and administrative measures to promote a healthy and sustainable development of the self-financing sector, including allocating land sites and vacant school premises to self-financing institutions and setting up funding schemes to help their operation, etc.

2. Over the past decade or so, the self-financing sector has grown tremendously, both in size and diversity. We achieved the 60% post-secondary education participation rate within five years after 2001, and the rate hit 70% in the 2015/16 academic year, including 45% having access to degree-level education. There are now about 150 and 300 self-financing post-secondary programmes at undergraduate level and sub-degree level respectively, vis-à-vis around 40 and 230 such programmes respectively in 2005/06. These programmes are operated by 11 degree-awarding self-financing institutions, eight University Grants Committee (UGC)-funded universities and/or their self-financing arms or community colleges, and other post-secondary institutions registered under the Education Ordinance or other relevant legislation.

3. The post-secondary sector as a whole has indeed reached a level of saturation now when we compare the demand and supply for sub-degree and undergraduate programmes. Looking ahead, the number

of secondary school graduates will continue to drop, from 57 000 in 2016 to 43 000 in 2022. This poses a major challenge to the post-secondary sector, in particular the self-financing sector, as institutions will be competing for students. At the same time, there are concerns over the development of the sector, both in terms of quantity and quality.

4. Against the above background, there are calls from the community for a review on the whole self-financing post-secondary education sector, including the role and positioning of the sector, the need for associate degree (AD) programmes, the control framework, etc.

5. In response to these concerns, the Chief Executive announced in the 2017 Policy Address to set up a task force to consider issues pertinent to the development of the self-financing post-secondary education sector. In this connection, the Task Force on Review of Self-financing Post-secondary Education (“the Task Force”) was set up in October 2017 and held its first meeting on 13 November 2017. The composition and terms of reference of the Task Force is available at [Annex](#). The Task Force will hold meetings in the coming months to discuss specific issues of concern, and it will listen to the views of stakeholders during the process.

6. To take forward the review, the Task Force is now inviting written submissions from all stakeholders to express their views/comments on the key questions set out in the ensuing paragraphs. The feedback received will provide essential input to the review and enable the Task Force to formulate its initial proposals.

## **Key Questions**

### **Question 1: Role of the self-financing post-secondary sector**

Since 2000, there has been a rapid development of the self-financing post-secondary sector. Apart from the eight publicly-funded universities, 11 degree-awarding self-financing institutions have emerged and they contribute to around 36% of all first-year-first-degree places.

*What role should the self-financing post-secondary sector play in the*

*development of the higher education sector?*

**Question 2: Government's role in the sector's development**

It has been the Government's policy to support the parallel development of the publicly-funded and self-financing post-secondary sectors. There has been regulation, through the UGC, over the provision of subvented degree and sub-degree places in UGC-funded universities, while the self-financing post-secondary sector essentially determines the provision of degree and sub-degree places on its own based on its perceived market demand. There is concern that further growth of the self-financing sector may not sustain itself as it faces a dwindling number of secondary school graduates from 57 000 in 2016 to 43 000 in 2022. Also, there is increasing expectation from the community that the Government should play a greater role in steering the development of the self-financing sector in recognition of its vital contribution to the overall provision of higher education to aspiring students.

*Should the Government continue to leave the development of self-financing sector to market force or is more Government intervention justified? If the latter, what should the Government do?*

**Question 3: Regulation of self-financing institutions**

Currently, the Government's involvement in the development strategy/plan of self-financing institutions has been minimal, their provision of post-secondary education is primarily subject to their meeting of the necessary accreditation requirements for individual programmes. While they do not receive any recurrent subvention from the Government, self-financing institutions benefit from a host of support measures (e.g. the Land Grant Scheme and Government's financial support for students enrolling in self-financing post-secondary programmes).

*Should the Government step up regulatory measures for self-financing institutions? If so, in what ways (e.g. quality of programmes, governance, etc.) and how?*

**Question 4: Participation of subvented higher education institutions in self-financing activities**

At present, apart from the truly self-financing institutions operated on their own, some subvented higher education institutions (including the eight UGC-funded universities) also provide self-financing post-secondary education programmes on their own or through their subsidiaries. The self-financing activities of these subvented institutions are perceived to have advantages (in terms of branding, etc.) over their counterparts, which do not receive any recurrent Government funding.

*What is your view on the involvement of subvented higher education institutions in providing self-financing post-secondary programmes?*

*Is there a level-playing field amongst operators of self-financing programmes? If not, what should be done to address the issue? Should there be a clearer delineation between subvented higher education institutions and self-financing institutions in this regard?*

**Question 5: Views on sub-degree qualifications**

Post-secondary education constitutes not only undergraduate education or above but also sub-degree education, i.e. AD and higher diploma (HD) programmes. The differentiation between the two sub-degree qualifications is that AD programmes should bear more generic contents (e.g. language, IT, etc.), whereas HD programmes should provide more specialised contents (e.g. learning related to concentrations, disciplines and professions, vocational skills, etc.).

*What is your view on the AD and HD qualifications? Do you agree that the AD qualification is sufficient as a standalone and valuable qualification at present?*

**Question 6: Future of sub-degree qualifications**

Statistics show that in recent years around 70% to 80% of AD students pursue further studies mainly in the form of top-up degree studies upon their graduation.

*Do you think that the AD qualification should continue to exist? If yes, how should AD qualification be positioned?*

### **Invitation of views**

7. Any views/comments on the above questions, or other issues pertinent to the future of self-financing post-secondary education, should be sent to the Education Bureau **on or before 12 January 2018 (Friday)** by post, e-mail or fax:

Mailing Address: Further Education Division  
Education Bureau  
7/F, East Wing, Central Government Offices  
Tamar, Hong Kong

E-mail address: [taskforce\\_sfpe@edb.gov.hk](mailto:taskforce_sfpe@edb.gov.hk)

Fax number: (852) 3579 5097

### **Way forward**

8. The Task Force aims to come up with initial proposals for the purpose of public engagement by mid-2018. Having regard to the outcome of the public engagement exercise, the Task Force plans to complete the review and make recommendations to the Government by the end of 2018.

**Education Bureau**  
**November 2017**

## **Task Force on Review of Self-financing Post-secondary Education**

### **Membership**

Chairman

-----

Professor Anthony CHEUNG Bing-leung

Non-official Member

-----

Ir Dr Alex CHAN Siu-kun

Mr Henry FAN Hung-ling

Professor Reggie KWAN Ching-ping

Mr Tim LUI Tim-leung

Professor Julia TAO LAI Po-wah

Official Members

-----

Secretary for Education or his representative

Secretary General of the University Grants Committee or his representative

### **Terms of Reference**

The Task Force on Review of Self-financing Post-secondary Education is appointed by the Secretary for Education –

- (a) To consider the overall role and function of the self-financing post-secondary education sector in serving the long term education and manpower needs of Hong Kong;
- (b) To review major issues of concern pertinent to the ecology of the self-financing sector, including the role of the self-financing operation of subvented institutions vis-à-vis self-financing post-secondary institutions;

- (c) To review the future development of sub-degree programmes; and
- (d) Having regard to the outcome of the review, to identify scope for improvement and make recommendations to the Secretary for Education.