

LEGISLATIVE COUNCIL BRIEF

**TECHNICAL REFINEMENT OF MEASURES
IN RELATION TO HONG KONG'S DEVELOPMENT
AS A REGIONAL EDUCATION HUB**

INTRODUCTION

At the meeting of the Executive Council on 8 October 2013, the Council ADVISED and the Acting Chief Executive ORDERED that the following refinement of measures be approved -

Sub-degree non-local students

- (a) extending student exchange to sub-degree programmes, so that non-local students are allowed to enter Hong Kong for exchange lasting for up to six months at full-time locally-accredited sub-degree local programmes without any quota, so that in return more local students could have opportunities to broaden their exposure through participating in such exchange activities abroad (paragraphs 4 to 5 below);
- (b) extending the internship arrangement for non-local students at undergraduate or above level to those enrolled in full-time locally-accredited sub-degree local programmes with a study period of not less than two academic years, so that they are allowed to take up internships which are mandatory, study/curriculum-related and arranged or endorsed by institutions, subject to a maximum duration of six months. Mandatory internship with a duration in excess of six months should be considered on a case-by-case basis and granted prior approval by the Director of Immigration (paragraphs 6 to 9 below);

Admission of non-local students to locally-accredited local programmes

- (c) refining the existing formula for calculation of quota for admission of Mainland, Macao and Taiwan students to full-time locally-accredited self-financing local sub-degree and undergraduate programmes (paragraph 10 below);

Length of stay

- (d) aligning the length of stay granted to non-local students admitted to study full-time locally-accredited post-secondary programmes upon entry with the normal duration of study programmes, subject to a maximum period of six years (paragraphs 11 to 13 below); and

Attracting non-local institutions

- (e) refining the Land Grant Scheme (“LGS”) to cover non-profit-making institutions offering part-time locally-accredited post-secondary programmes, and to make available vacant government premises under the LGS to be leased out at nominal rent (paragraphs 14 to 15 below).

JUSTIFICATIONS

2. Since 2004, we have introduced a series of policy initiatives in support of Hong Kong’s development as a regional education hub, with a view to nurturing and attracting talent for Hong Kong as well as boosting Hong Kong’s competitiveness. A summary of the current policy on admission of non-local students is at **Annex A**. The University Grants Committee (UGC) conducted the Higher Education Review and published its report “Aspirations for the Higher Education System in Hong Kong” in 2010 with some recommendations on internationalisation of the higher education sector. Moreover, the Education Commission has set up the Working Group on the Development of Education Services in Hong Kong (ECWG) to advise the Government on the framework and strategy for developing Hong Kong’s education services. The ECWG published its report in September 2011 with 17 recommendations as set out at

Annex B. Some of these recommendations involve refinements to our existing policy¹.

3. Having considered the recommendations of ECWG, the practical difficulties experienced by institutions in implementing some existing measures and the latest development of our post-secondary education sector, we will implement some technical refinements to our existing policy as elaborated in the ensuing paragraphs. It is noteworthy that the proposed measure related to the admission of non-local students to locally-accredited local programmes will focus on the self-financing post-secondary sector only. The policy for locally-accredited publicly-funded post-secondary programmes will remain unchanged.

THE PROPOSALS

Sub-degree non-local students

Allowing Sub-degree Student Exchange

4. Under the existing policy, non-local students can enter Hong Kong for exchange at undergraduate level or above for a period up to one year without being subject to any quota restriction. Notwithstanding the shorter study period of sub-degree programmes as compared to undergraduate programmes, ECWG noted that local institutions would welcome the opportunity to arrange exchange activities for their sub-degree students, and recommended that consideration should be given to extend student exchange to sub-degree programmes.

5. Similar to those at undergraduate level or above, we see the benefits in allowing sub-degree student exchanges, which involve a two-way movement of students between the local institution and the overseas partner institution. On the one hand, such exchanges will broaden the exposure of the outgoing local sub-degree students and in turn increase their global exposure. On the other hand, it can help internationalise local campuses by bringing in more non-local students through the reciprocal exchange arrangement. It would also enhance local students' language skills and develop their ability in pursuing further studies or working in a cross-cultural environment. We therefore support ECWG's proposal and will allow non-local students (including those from the

¹ Recommendations 7, 11, 12, 13, 14 and 15 at **Annex B**.

Mainland, Macao and Taiwan) to enter Hong Kong on exchange in full-time locally-accredited sub-degree local programmes for a period up to six months. They are not allowed to take up any employment (including part-time on-campus employment and internship), whether paid or unpaid, during their stay in Hong Kong. Based on an informal survey, it is estimated that around 100 to 200 non-local exchange sub-degree students will be admitted each year during the initial period.

Allowing Internship for Non-local Sub-degree Students

6. Under our prevailing policy, non-local students of full-time locally-accredited programmes at undergraduate level or above whose study period is not less than one academic year are allowed to take up study/curriculum-related internships arranged or endorsed by the institutions in which they are studying², provided that the duration of the internship is up to one academic year, or one-third of the normal duration of the relevant full-time academic programme, whichever is shorter³. There is no restriction on the nature of work, level of salary, location, number of working hours, and employers.

7. Considering that some sub-degree programmes, in particular those with more vocational education elements, require students to take up internships as a mandatory requirement for their study, ECWG recommended that the Government should explore allowing non-local students enrolled in sub-degree programmes to take up study / curriculum-related internships. However, the current restriction for non-local students studying these programmes on taking up internship puts institutions in a difficult position.

8. While we support ECWG's recommendation, we will only allow non-local students enrolled in full-time locally-accredited sub-degree local programmes for a study period of not less than two academic years, with mandatory internship requirement to take up mandatory, study/curriculum-related internships as arranged or endorsed by institutions, subject to a

² Must be endorsed by designated officers of the relevant institutions, not by individual offices, schools, faculties or faculty members.

³ The internship cannot take place before a non-local student is officially registered with the institutions and begin attending any scheduled classes of their registered programme in Hong Kong, or when the student concerned has fulfilled all the course / credit requirements for graduation (e.g. students who have just finished their final year of study).

maximum duration of six months. Applications for internship with durations longer than six months by individual students should be considered on a case-by-case basis and approved by the Director of Immigration prior to its commencement. Based on institutions' estimates, around 300 to 400 non-local students each year would take up mandatory internship during the initial period. As the number of additional internship places represents only about 3% to 4% of the total internships arranged for local students each year, the proposal should not have any negative impact to the internship opportunity for local students.

9. While the institution concerned will decide whether an internship is mandatory for a particular programme, the accrediting authority, in considering the application for local accreditation of the programme, will assess and ensure that the internship is structured and managed to meet the objectives of the programme.

Admission of non-local students to locally-accredited local⁴ programmes

10. The existing formula for calculating the quota for admission of Mainland, Macao and Taiwan students to full-time locally-accredited self-financing local sub-degree and undergraduate programmes⁵ is based on the actual local student enrolment in those programmes in the preceding academic year. Having evaluated the feedbacks from institutions on the practical implementation difficulties, we will implement two minor refinements to the existing formula as follows –

- (a) actual total student enrolment (including local and non-local students) in the preceding academic year would be used as the denominator in place of actual local student enrolment, so that institutions that have

⁴ Local programmes refer to those programmes leading to degrees awarded by local degree-awarding institutions. Non-local programmes refer to those programmes leading to degrees awarded solely by non-local institutions, irrespective of whether the programmes are jointly run by local and non-local institutions.

⁵ The 10% quota was originally established as a programme-specific one in 2004, during which the authority of adjusting the quota was delegated to the then Secretary for Education and Manpower, and Secretary for Home Affairs in the case of Hong Kong Academy for Performing Arts, in consultation with the Secretary for Security and Secretary for Financial Services and the Treasury on the immigration and resource implications. In 2007, we relaxed the calculation formula using the entire institution instead of individual programme as the basis.

traditionally admitted a relatively higher proportion of non-local students will not be put in a disadvantaged position; and

- (b) to cater for the scenarios involving new programmes offered by existing institutions or newly-established institutions where actual enrolment figures in the preceding academic year are not available, we will suitably adjust the student base for calculating the admission quota taking into account the number of new programmes to be offered by existing institutions and the planned intake figures of newly-established institutions⁶. In accrediting self-financing programmes offered by newly-established institutions, the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) will ensure that the institutions concerned have put in place adequate facilities and a suitable quality assurance mechanism so as to ensure the quality of the programmes given the planned student intake, and such intake figures as approved by HKCAAVQ will form the basis for calculating the number of students to be admitted under the policy. Moreover, newly-established institutions should adopt actual enrolment figures for calculating admission quota starting from the second year of operation.

Aligning the length of stay with normal duration of programmes

11. Under our existing policy, non-local students enrolled in full-time post-secondary programmes are normally granted permission to stay for one year upon entry and is subject to annual extension upon application to the Immigration Department (ImmD).

12. ECWG considered that the existing annual visa extension requirement represents unnecessary burden on the non-local students, institutions and the ImmD. A longer period of the permission to stay will save both time and expenses. Furthermore, a more accommodating and user-friendly visa

⁶ For existing institutions with new programmes to be offered, the student base for calculating the admission quota could be determined by grossing up the actual total student enrolment of existing programmes. For example, if an institution's actual total student enrolment in its existing ten full-time locally-accredited self-financing sub-degree and undergraduate programmes in the preceding academic year is 100, and it has two new sub-degree / undergraduate programmes to be offered in the current year, the student base for calculation of admission quota would be $(100 \times 12 / 10)$, i.e. 120.

For newly-established institutions without any actual student enrolment figures for reference, planned intake figures of the new programmes to be offered could be adopted for the calculation of admission quota.

application / renewal regime will be conducive to attracting non-local students to consider studying in Hong Kong. As such, ECWG recommended that the length of stay granted to non-local students upon entry should be in line with the normal duration of their study programmes.

13. We are supportive of ECWG's recommendation and will grant non-local students admitted to take up studies in full-time locally-accredited post-secondary local and non-local programmes a length of stay in line with the normal duration of their study programmes, subject to a maximum period of six years upon entry and a set of existing immigration measures⁷.

Policy on attracting non-local institutions

14. The LGS was established in 2002 to provide land sites to non-profit-making institutions for the construction of purpose-built premises and the operation of full-time locally-accredited self-financing post-secondary programmes leading to a qualification at or above the level of higher diploma, associate degree or professional diploma. In 2008, the LGS was modified so

⁷ These measures include –

- (a) the name of the educational institution in which a non-local student is enrolled should be specified in the landing endorsement made by immigration staff on the student's travel document upon their arrival in Hong Kong;
- (b) if non-local students wish to change to another institution or switch from one programme to another of the same institution after entry into Hong Kong, they would need to seek prior permission from ImmD, which would consult the Education Bureau (EDB) as and when necessary;
- (c) educational institutions are required to inform ImmD of the termination of studies of non-local students, or when it comes to their notice that a non-local student has been absent from studies for a prolonged period;
- (d) students from the Mainland, Macao and Taiwan who fail to complete a full-time undergraduate or sub-degree programme within the required time would normally be allowed to extend their stay for up to one year to complete the programme;
- (e) students from the Mainland, Macao and Taiwan who wish to switch to another full-time locally-accredited post-secondary programme before completing their original one, should not normally be allowed to extend their stay if they would, with such an extension, be able to accumulate five years or more of continuous residence in Hong Kong; and
- (f) non-local full-time students admitted for study in post-secondary programmes are normally subject to the "four-week rule" in which they are required to leave Hong Kong within four weeks from the termination of studies with the specified institution or before the expiry of their permitted limit of stay, whichever is earlier.

that institutions may, without the need to provide additional student places, apply for land sites at nominal premium for –

- (a) providing or enhancing teaching and other ancillary facilities which serve to enhance the learning experience of and support for students; and
- (b) re-provisioning existing college campuses operating in sub-optimal environment.

Under the modified LGS, vacant school premises were also made available and leased at nominal rent to institutions for the operation of full-time locally accredited post-secondary programmes, thereby obviating the need for granting new land sites at nominal premium under the LGS.

15. The LGS has become one of the key measures to support the quality and sustainable development of the self-financing post-secondary education sector. The self-financing post-secondary sector is characterized by its flexibility, diversity and responsiveness to complement the publicly-funded sector. It enables Hong Kong to nurture the necessary talents to compete in the fast-changing, globalised knowledge-based economy. A more diversified education sector will also benefit our students and labor force by providing them with more education opportunities with multiple entry and exit points. These benefits can likewise be attributed to institutions offering quality part-time post-secondary programmes. We note that some renowned overseas institutions have expressed interest in acquiring land site/vacant government premises to offer programmes including some part-time programmes in Hong Kong. We see this as a golden opportunity to entrench Hong Kong's role as a regional education hub. To this end, we see merits in modifying the LGS further to make available vacant government premises, in addition to land sites and vacant school premises, to non-profit-making institutions offering full-time and/or part-time locally-accredited post-secondary programmes. The vacant government premises would be leased at nominal rent. The Administration will launch available land sites and/or vacant government premises subject to the needs of the sector. All applications under the LGS will be considered on a highly competitive basis by an independent Vetting Committee, comprising mainly non-official members, which will take into account the institution's organization and management structure, its track record in delivering post-secondary education services, the quality and standard of the proposed programmes to be offered, whether the programmes will add diversity to the

sector, site development proposal, financial viability of the application, etc. Only the application with the highest quality would be selected. The Government is not obliged to allocate the land site or vacant government premises if the applications received do not meet our expectation.

Other recommendations by ECWG

16. Apart from the above recommendations, ECWG also made recommendations related to our existing policy, i.e. (a) institutions, both within and outside the UGC-funded sector, should charge non-local students at a level that can at least recover all additional direct costs and can consider charging the students at full cost level; (b) the immigration arrangement for selected programmes at below sub-degree level should be relaxed; and (c) the Government should continue to explore the feasibility of further relaxing the existing restrictions on immigration arrangements (e.g. allowing Mainland, Macao and Taiwan students to study non-local programmes). As these recommendations touch on sensitive issues, we will need more time to further study the implications of these recommendations and liaise with the relevant authorities (e.g. the Mainland authorities on admission of Mainland students to study non-local programmes in Hong Kong) before coming up with a detailed plan for implementation if applicable. EDB will also continue to implement other ECWG recommendations, such as promoting Hong Kong as a regional education hub, as part of its on-going policy.

IMPLEMENTATION TIMETABLE

17. We will implement the new policies / measures set out in this paper as soon as practicable. EDB will work out the necessary detailed execution procedures in conjunction with ImmD and institutions. We expect that some of the measures, e.g. extending student exchange to sub-degree programmes, could be implemented in the 2013/14 academic year the earliest.

IMPLICATIONS OF THE PROPOSALS

18. The financial, manpower, economic, environmental and sustainability implications of the proposals are set out at **Annex C**. As our proposed changes

in policy mainly concern admission of non-local students to study in Hong Kong, they have no family implications.

19. The proposal is in conformity with the Basic Law, including the provisions concerning human rights.

PUBLIC CONSULTATION

20. We will brief the relevant stakeholders.

PUBLICITY

21. We will issue a press release before the implementation of the proposals. A spokesman will be available to answer media enquiries.

ENQUIRIES

22. Enquiries on this subject can be directed to Mr Wallace Lau, Principal Assistant Secretary for Education at telephone number 3509 8501.

Education Bureau
16 October 2013

**Developing Hong Kong as a Regional Education Hub –
Summary of Current Policy on Admission of Non-local Students**

A. Admission quota and policy

- ♦ The policy on the admission of non-local students varies according to the following classifications:

(a) *Nature of programmes:*

- ✧ publicly-funded programmes offered by publicly-funded institutions¹, i.e. the University Grants Committee (UGC)-funded institutions, The Hong Kong Academy for Performing Arts (HKAPA) and Vocational Training Council (VTC);
- ✧ self-financing programmes offered by publicly-funded institutions and self-financing institutions² leading to local awards; and

¹ At present, there are 10 publicly-funded institutions in Hong Kong, namely City University of Hong Kong, Hong Kong Baptist University, Lingnan University, The Chinese University of Hong Kong, The Hong Kong Academy for Performing Arts, The Hong Kong Institute of Education, The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology, The University of Hong Kong and Vocational Training Council. All of them, except Vocational Training Council, are local degree-awarding institutions.

² In the 2013/14 academic year, there are 31 self-financing institutions offering locally-accredited local post-secondary programmes in Hong Kong, and eight of them have local degree-awarding powers, including Caritas Institute of Higher Education, Centennial College, Chu Hai College of Higher Education, Hang Seng Management College, Hong Kong Shue Yan University, Technological and Higher Education Institute of Hong Kong of Vocational Training Council, The Open University of Hong Kong and Tung Wah College. The remaining 23 institutions are:

- (i) Caritas Bianchi College of Careers
- (ii) City University of Hong Kong - Community College of City University
- (iii) City University of Hong Kong - School of Continuing and Professional Education
- (iv) Hong Kong Adventist College
- (v) Hong Kong Art School
- (vi) Hong Kong Baptist University - School of Continuing Education
- (vii) Hong Kong Baptist University - College of International Education
- (viii) Hong Kong Buddhist College
- (ix) Hong Kong College of Technology
- (x) Hong Kong Institute of Technology
- (xi) HKU SPACE Po Leung Kuk Community College
- (xii) Kaplan Business and Accountancy School (*)
- (xiii) The Community College at Lingnan University
- (xiv) Lingnan Institute of Further Education
- (xv) Pui Ching Academy
- (xvi) Sacred Heart Canossian College of Commerce (*)

- ✧ self-financing programmes leading to non-local awards being offered in Hong Kong. There are currently over 1 100 non-local courses, of which over 100 programmes have undergone local accreditation by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications.
- (b) *Levels of study*: sub-degree (SD), undergraduate (Ug), taught post-graduate (Tpg) and research post-graduate (Rpg);
- (c) *Mode of study*: full-time and part-time; and
- (d) *Origin of students*: Mainland, Macao, Taiwan and overseas students.

Details are set out in the following table.

| Full-time Programmes | Part-time Programmes |
|---|--|
| (I) Locally-accredited & publicly-funded local programmes | |
| <ul style="list-style-type: none"> ♦ SD, Ug and Tpg programmes may admit non-local students (including Mainland, Macao and Taiwan students) up to 20% of approved student number targets. ♦ For UGC-funded institutions, the 20% comprises 4% inside and 16% outside the approved student number targets. ♦ Rpg programmes may admit non-local students (including Mainland, Macao and Taiwan students) without any quota restriction. | <ul style="list-style-type: none"> ♦ Admission of non-local students to part-time Ug, Rpg and SD programmes is not allowed. ♦ Part-time Tpg programmes may admit non-local students up to 20% of approved student number targets. Only the eight UGC-funded institutions may admit Mainland students to such programmes. |
| (II) Locally-accredited & self-financing local programmes | |
| <ul style="list-style-type: none"> ♦ SD, Ug, Tpg and Rpg programmes may admit non-local students (<u>including Macao and Taiwan students</u>). Except for Macao and Taiwan students, there is no quota restriction. | <ul style="list-style-type: none"> ♦ Admission of non-local students to part-time SD, Ug and Rpg programmes is not allowed. ♦ Part-time self-financing Tpg programmes may admit non-local students (including |

-
- (xvii) School of Continuing and Professional Studies, The Chinese University of Hong Kong
 - (xviii) The Hong Kong Polytechnic University - Hong Kong Community College
 - (xix) The Hong Kong Polytechnic University - School of Professional Education and Executive Development (SPEED)
 - (xx) HKU SPACE Community College
 - (xxi) The Open University of Hong Kong - Li Ka Shing Institute of Professional and Continuing Education
 - (xxii) Yew Chung Community College
 - (xxiii) YMCA College of Careers.
 - (*) -Kaplan Business and Accountancy School and Sacred Heart Canossian College of Commerce do not accept intake in the 2013/14 academic year.

| Full-time Programmes | Part-time Programmes |
|--|---|
| <ul style="list-style-type: none"> ♦ Hong Kong higher education institutions with degree-awarding powers (currently there are 17 such institutions) may admit <u>Mainland</u> students to full-time <u>Ug, Tpg and Rpg</u> programmes. ♦ There is no quota restriction for admission of <u>Mainland, Macao and Taiwan</u> students to full-time Tpg and Rpg programmes. As regards SD and Ug levels, the maximum number of <u>Mainland, Macao and Taiwan</u> students is 10% of the local student enrolment of all such programmes of the institution³ in the preceding year. | <p>Macao and Taiwan students) without any quota restriction. Only the eight UGC-funded institutions may admit Mainland students to such programmes without any quota restriction.</p> |
| (III) Non-local courses (whether locally-accredited or not) | |
| <ul style="list-style-type: none"> ♦ Full-time non-local programmes at SD level or above that are not locally-accredited may admit non-local students (except Mainland, Macao and Taiwan students) without any quota restriction. ♦ Macao and Taiwan students are allowed to study in full-time locally-accredited non-local programmes subject to a 10% quota of the local student enrolment of all such programmes of the institution in the preceding year. ♦ Mainland students are not allowed to study full-time non-local programmes, whether locally-accredited or not. | <ul style="list-style-type: none"> ♦ Part-time non-local programmes are not allowed to admit non-local students. |
| (IV) Short-term programmes | |
| <ul style="list-style-type: none"> ♦ Non-local students (including Mainland, Macao and Taiwan students) may study short-term programmes in Hong Kong without any quota restriction; ♦ Mainland, Macao and Taiwan students may pursue short-term studies in Hong Kong, subject to the following conditions – <ul style="list-style-type: none"> ✧ the programme concerned is offered by Hong Kong higher education institutions with degree-awarding powers (excluding their continuing and professional education arms); and ✧ the cumulative duration of short-term studies taken up by any student should not exceed 180 days within any 12-month period. | |

³ Hitherto, the quota was calculated based on individual programme. To allow more flexibility for institutions to redeploy the quota between programmes, the policy was changed in 2007 to set the quota at an institutional level.

B. Student Exchanges at the Post-secondary Level

- ♦ Non-local students are allowed to enter Hong Kong for local exchange programmes at undergraduate or above lasting for up to one year without any quota restriction.

C. Employment-related initiatives

Internship

- ♦ Non-local students of full-time locally-accredited local programmes at undergraduate level or above are allowed to take up study/curriculum-related internships as arranged or endorsed by institutions.

Part-time and summer jobs

- ♦ Non-local students of full-time locally-accredited local programmes at undergraduate level or above are allowed to take up part-time on-campus jobs for up to 20 hours per week and off-campus summer jobs during the summer months.

Retaining non-local students to stay and work in Hong Kong

- ♦ Under the Immigration Arrangements for Non-local Graduates (IANG) introduced in 2008, non-local graduates (including those from Mainland, Macao and Taiwan) who have obtained an undergraduate or higher qualification in a full-time and locally-accredited local programme in Hong Kong may take up employment in Hong Kong after graduation so long as the job is at a level commonly taken up by degree holders and the remuneration package is at market level (i.e. based on the criteria under General Employment Policy but with the “skills” and “availability” requirements relaxed).
- ♦ On application, non-local fresh graduates will be granted a 12 months’ stay on time limitation without any restriction.

**Summary of Recommendations Raised by
Education Commission Working Group in the
Report on the Development of
Education Services in Hong Kong**

Stepping up Promotion and Branding

Recommendation 1

The Government should proactively promulgate to the local and overseas community the policy objectives and the benefits to Hong Kong and local students in developing education services in Hong Kong.

Recommendation 2

A task force should be set up to consider and implement initiatives on branding and promotion of Hong Kong as an education hub.

Recommendation 3

The Education Bureau should continue to lead promotion trips to targeted countries, with better coordination with trips organised by institutions and the Trade Development Council.

Recommendation 4

The Education Bureau should coordinate with institutions and relevant government departments such as Information Services Department, Tourism Commission and overseas economic and trade offices in promoting Hong Kong as a regional education hub.

Recommendation 5

Key statistics and indicators on internationalisation should be compiled by the Government with inputs from institutions concerned.

Developing niche areas

Recommendation 6

Other niche areas in the education sector that possess great potential should be explored, e.g. vocational English, examination and testing services and vocational education such as Chinese cuisine.

Refining tuition fee policy

Recommendation 7

Institutions, both within and outside UGC-funded sector, should charge non-local students at a level that can at least recover all additional direct costs and can consider charging the students at full cost level. The education sector should consider adopting the differential fee model for different disciplines and different institutions, particularly for non-local students provided that no additional public resources would be required for the higher education sector.

Widening the net of non-local students

Recommendation 8

We should diversify the source of non-local students, particularly focusing on the Asian region outside the Mainland and ethnic Chinese in the region as well as in other overseas countries.

Recommendation 9

The Government should explore the possibility of establishing more high-level collaboration with its counterparts in the Asian countries and formulating target measures for attracting students from these economies.

Recommendation 10

Institutions should actively promote student exchange programmes.

Recommendation 11

The Government should consider allowing non-local students to come to Hong Kong on exchange at sub-degree level.

Recommendation 12

The Government should consider allowing non-local students enrolled in sub-degree programmes to take up study/curriculum-related internships.

Recommendation 13

The Government should consider relaxing the immigration arrangement for selected programmes at below sub-degree level.

Recommendation 14

The length of stay granted to non-local students should be in line with the normal duration of their study programmes.

Recommendation 15

The Government should continue to explore the feasibility of further relaxing the existing restrictions on immigration arrangement such as allowing Mainland students to study in non-local courses, removing the quota on Taiwan and Macau students in enrolling in self-financing post-secondary programmes and other measures concerning the school sector.

Enriching the experience of non-local students

Recommendation 16

Institutions should further enhance the learning experience of non-local students and foster interaction among local and non-local students. Institutions are encouraged to share best practices with each other and work together to develop innovative programmes in this respect.

Recommendation 17

The Government should step up its efforts in providing more hostel places for the higher education sector, including expediting the implementation of joint-hostel projects. Institutions should also consider other innovative means to complement the efforts.

**Technical Refinement of Measures in Relation to Hong Kong's
Development as a Regional Education Hub –
Implications of the Proposal**

Financial and Manpower Implications

In terms of education recurrent expenditure, the proposal of allowing non-local sub-degree students to enter Hong Kong for exchange and allowing non-local students of full-time sub-degree programmes to take up internships (paras. 1(a) and (b) of the main brief refer), the proposals related to admission of non-local students to study in self-financing programmes in Hong Kong (para. 1(c) of the main brief refers), and the proposal of aligning the length of stay with normal duration of programmes (para. 1(d) of the main brief refers) will not give rise to additional recurrent costs for the Government.

2. Allowing non-local students to enter Hong Kong on exchange at sub-degree level (para. 1(a) of the main brief refers) may lead to an increase in the estimated demand for hostels of UGC-funded institutions. That said, in view that there would only be around 100 to 200 non-local exchange sub-degree students expected to be admitted each year during the initial period (and those admitted to UGC-funded institutions would be much less than the total estimate), the increase in demand (if any) should not be significant. According to the calculation criteria for the provision of hostels in UGC-funded institutions, non-local students pursuing full-time UGC-funded programmes at sub-degree level and above will be taken into account, but allocation of hostel places is a matter for institutions to decide. We expect that institutions, which are at different stages as far as provision of hostel places is concerned, should be allowed the flexibility in arranging student exchange activities for their sub-degree students in accordance with their own circumstances such as self-financed hostel places, rented accommodation or home stay, etc. As regards the possible increased demand for hostel places in self-financing institutions arising from proposals related to the admission of non-local students to study in full-time locally accredited self-financing programmes (para. 1(c) of the main brief refers) and those related to student exchange at the sub-degree level in self-financing institutions (para. 1(a) of the main brief refers), any requests for

government loans under the Start-up Loan Scheme¹ for constructing more student hostels will be processed under the established mechanism. EDB will closely monitor the cumulative demand for hostel places arising from the increased admission of non-local students to publicly-funded and self-financing programmes, and keep in view the possible financial implications on the Government.

3. On the other hand, the possible increase in the demand for hostel places may lead to increase in the demand for land resources under the Land Grant Scheme (LGS). The proposed modifications to the LGS (para. 1(e) of the main brief refers) would at the same time make available vacant government premises in addition to land sites and vacant school premises for operation of full-time and/or part-time locally accredited post-secondary programmes. The granting of land sites at nominal premium and letting of vacant school premises or government premises at nominal rent would mean forgoing of the premium/rental which would otherwise be received by the Government for disposal of the land sites or premises for other revenue generating purposes. Currently a planned premises has been earmarked in the proposed development in Tai Wai for allocation under the LGS. Any other sites and vacant government premises, if available, will be launched to meet the demand of the post-secondary education sector as a whole. The type of vacant government premises to be made available would depend on the nature of programmes offered and requirements by the institutions concerned. The modified LGS would offer the flexibility should such matching opportunity arises.

4. The proposals would bring about an increase in the number of applications for student entry and dependant entry to be processed by ImmD. In view of the negligible number of caseloads induced for the 2013/14 academic year (as the peak season for application for study has already lapsed), the additional workload for 2013-14 could be absorbed by the relevant bureaux and departments. Relevant bureaux/departments will continue to keep in view the manpower implications in the light of actual workload.

¹ The Start-up Loan Scheme provides interest-free loans to non-profit-making post-secondary education providers for, among others, development of student hostels, to operate full-time locally-accredited self-financing post-secondary programmes.

Economic Implications

5. The proposals seek to promote diversity for and deepen the development of the local higher education system, and are thereby conducive to further strengthening Hong Kong's status as a regional education hub. This will also help attract and nurture a greater pool of talent for Hong Kong to the benefit of continued productivity and competitiveness enhancement in the longer term.

Environmental Implications

6. Granting of land sites and vacant government premises may lead to more construction and renovation works by institutions. The project proponents should follow the established procedure and take into account relevant environmental considerations in carrying out the construction and renovation works. Environmentally friendly and mitigation measures should be stipulated in the works contract to address any environmental concerns in accordance with existing standards and guidelines.

Sustainability Implications

7. The proposals will add diversity to our post-secondary education sector. This will benefit our students and labour force by providing them with more education opportunities with multiple entry and exit points. In the long term, it would help enhance the quality of our workforce, and be conducive to the sustainability principle of achieving a competitive economy.

LIST OF ABBREVIATIONS

| | | |
|---------|---|--|
| ECWG | - | Education Commission Working Group on the Development of Education Services in Hong Kong |
| EDB | - | Education Bureau |
| HKCAAVQ | - | Hong Kong Council for Accreditation of Academic and Vocational Qualifications |
| ImmD | - | Immigration Department |
| LGS | - | Land Grant Scheme |
| UGC | - | University Grants Committee |