

LEGISLATIVE COUNCIL BRIEF

INCREASING THE NUMBER OF PUBLICLY-FUNDED RESEARCH POSTGRADUATE PLACES

INTRODUCTION

At the meeting of the Executive Council on 29 November 2022, the Council ADVISED and the Chief Executive ORDERED that the total number of publicly-funded research postgraduate (“RPg”) places¹ for the University Grants Committee (“UGC”)-funded universities should be increased from 5 595 at present to 7 200, by two phases in the 2023/24 and 2024/25 academic years.

JUSTIFICATIONS

The need for additional publicly-funded RPg places

2. The Chief Executive-in-Council agreed that the total number of publicly-funded RPg places in the UGC-funded universities should remain at 5 595 when approving the broad planning parameters and funding for the 2022-25 triennium in January 2021 and January 2022 respectively. Meanwhile, with a view to identifying a suitable number of publicly-funded RPg places to support Hong Kong’s continued promotion of research excellence at higher education sector and the Government’s policy to develop Hong Kong into the Eight Centres as envisaged in the National 14th Five Year Plan, the Government invited the UGC to conduct a review to assess the supply of and demand for publicly-funded RPg places and consider the feasibility of increasing the number of such places as announced in the 2021 Policy Address.

3. The UGC completed the review in May 2022. Having considered the UGC’s recommendation, the Chief Executive announced in his 2022 Policy Address the proposed increase in the number of publicly-funded RPg places from the existing 5 595 to 7 200 with effect from the 2024/25 academic year. Coupled with the gradual relaxation of the over-enrolment

¹ This represents the total number of publicly-funded RPg places irrespective of year of study.

ceiling of RPg places from 70% to 100% as announced in the 2021 Policy Address, the capacity of the UGC-funded universities in enrolling RPg students will increase by more than 50%.

4. The UGC’s review also recommended that an element of strategic allocation of the publicly-funded RPg places should be introduced to ensure that Hong Kong’s research and development (“R&D”) efforts continue to serve national development priorities as well as Hong Kong’s strategic needs, while keeping pace with the growing research activities and capacity in the higher education sector. The detailed justifications for the proposed increase are set out in the ensuing paragraphs.

Responding to Hong Kong’s strategic roles

5. Backed by government support and after decades of development, the UGC-funded higher education sector has garnered an excellent research reputation internationally, and has built up a critical mass in academic research. Our universities received outstanding ratings in research environment in the Research Assessment Exercise (“RAE”) 2020², indicating that the UGC-funded universities’ strategies, human resources, income, infrastructure, collaboration within and beyond the academia, reputation and recognition from outside bodies in relation to research, etc. are on the whole considered to be of world-leading or internationally excellent quality.

6. In the context of the rapid development of our nation in recent years, particularly in the areas of innovation and technology (“I&T”), Hong Kong is bestowed with new roles that align with national development priorities. As envisioned in the National 14th Five-Year Plan, Hong Kong aspires to develop into the Eight Centres including the international I&T hub. While I&T is also a focus area in the Outline Development Plan for the Guangdong – Hong Kong – Macao Greater Bay Area (“GBA”), the said Plan outlines the development of the GBA into an international demonstration zone for education as well as for cooperation in talents as its goals.

7. To strengthen the resounding success of Hong Kong’s academic research after decades of development and tap into the enormous

² RAEs are conducted by the UGC regularly to assess the performance of the UGC-funded universities by applying international benchmarks to delineate the relative strength and areas for improvement. RAE 2020 assessed over 16 000 submissions from the universities, of which 70% were rated “world-leading” or “internationally excellent”. In research environment, 81% of the submissions were judged to be conducive to producing research of “world-leading” or “internationally excellent” quality.

opportunities arising from these national development strategies and priorities, the Government should implement suitable policy measures, including a suitable increase in the number of publicly-funded RPg places, to sustain and further boost Hong Kong’s academic research capabilities in the UGC-funded higher education sector.

Demand for publicly-funded RPg places not properly met

8. In reviewing the demand and supply situation of publicly-funded RPg places, the UGC observed a notable growth in Hong Kong’s academic research activities as a result of the significant investment into the sector initiated by the Government during the past decade. For instance, the Government injected a total of \$28 billion into the Research Endowment Fund since 2012, bringing the total size of the endowment to \$46 billion with an annual investment return of up to \$2.15 billion available for the Research Grants Council (“RGC”) to fund research projects and activities. The Government also introduced in 2019 the \$3-billion Research Matching Grant Scheme to incentivise the private sector to strengthen financial support for R&D and diversify funding sources for academic research. Apart from financial support, the Government introduced various talent nurturing schemes, such as the RGC Fellowship Schemes from the 2020/21 academic year onwards, as well as the Global STEM Professorship Scheme in 2021. The notable growth in research activities as a result of the Government’s stimulus measures can be seen through the following indicators:

Indicators	Academic Year		Percentage growth
	2011/12	2020/21	
Number of projects supported by the RGC	919	1 525	66%
Amount of funding awarded by the RGC (\$ million)	981	1 816	85%
Amount of research expenditure from the UGC-funded universities (\$ million)	7 155	13 350	87%
Number of academic and research staff in the UGC-funded universities*	8 460	10 221	21%

Note:

* Includes senior academic staff (e.g. professors and principal lecturers), junior academic staff (e.g. senior lecturers, lecturers and assistant lecturers), academic supporting staff (e.g. instructor, tutor, teaching assistant, etc.) as well as technical research staff.

9. Despite the significant growth in research activities as a result of the Government's support, the number of publicly-funded RPg places has remained unchanged at 5 595 since the 2011/12 academic year. The augmented research activities have been supported by the over-enrolment of RPg students through redeployment of the Block Grant, as well as the increased self-financed RPg enrolment. A comparison of the RPg student population between the 2011/12 and the 2020/21 academic years is as follows –

(Figures in full-time equivalent (fte) terms)

Indicators	Academic Year		Percentage growth
	2011/12	2020/21	
(a) Number of publicly-funded RPg places	5 595		N/A
(b) Number of over-enrolment	901	2 760	206%
(c) Number of publicly-funded RPg enrolment ((a)+(b))	6 496	8 355	29%
(d) Number of self-financed RPg enrolment	1 710	4 639	271%
(e) Total RPg enrolment ((c)+(d))	8 206	12 994	58%

10. To give further boost to the development of academic research in the UGC-funded universities, the Government will support the UGC's proposed increase in publicly-funded RPg places to 7 200. As mentioned in paragraph 3, the proposed increase, together with the gradual uplift of the over-enrolment ceiling of RPg places from 70% in the 2021/22 academic year to 100% from the 2024/25 academic year onwards as announced in the 2021 PA, the UGC-funded universities could enjoy the flexibility to enroll up to 14 400 publicly-funded RPg students, representing an increase of over 50% in capacity. The enhanced capacity should be able to fully address the existing demand with room for further growth in the short to medium term.

Sustaining research excellence

11. Given the intense competition for talents, as announced by the CE in his 2022 Policy Address, the Government should be more proactive and aggressive in “competing for talents”. The Government seized the opportunity to launch the Global STEM Professorship in 2021 to help our universities recruit renowned STEM scholars and their teams to boost research and teaching in Hong Kong. The scheme is welcomed by the UGC-funded universities. Out of the 100 places, around 80 have been awarded.

12. As important as attracting distinguished scholars to Hong Kong is the need for nurturing both local and non-local research talents at the outset through their RPg studies, such that we could both nurture the next generations of home-grown researchers as well as attract talents from outside Hong Kong to develop their research career here, who will form an integral part of sustaining Hong Kong’s research excellence.

Implementation of the Proposal

Special allocation exercise

13. To allow room for universities to attract the most meritorious candidates for the additional RPg places as well as to recruit additional academic staff for training and supervision of the RPg students, the increase will be implemented by two phases in the 2023/24 and 2024/25 academic years. This will also avoid a sudden surge which may put too much strain on the UGC-funded universities in terms of the provision of supporting facilities and services such as campus facilities, accommodation and administrative support in the transition.

14. A special allocation exercise will be conducted to allocate the additional places among the universities, taking into account factors including the past research performance and the universities’ plans on how they would utilise the additional places to align their research activities with the strategic directions laid down by the Government, with a view to informing the universities of the allocation results in Q2 2023.

15. Allocation of RPg places in subsequent triennia will be handled in the context of the regular triennium planning exercises.

IMPLICATIONS OF THE PROPOSAL

16. The proposal has financial, economic and sustainability implications as set out in **Annex**. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It has no significant civil service, family, environmental or gender implications.

PUBLIC CONSULTATION

17. The recommendation is based on the UGC's review as announced in the 2021 Policy Address. The major stakeholders of the review exercise, including the UGC-funded universities, have been consulted on the supply of and demand for the publicly-funded RPg places.

PUBLICITY

18. We will brief the Legislative Council Panel on Education at its meeting to be held in December 2022.

ENQUIRIES

19. Enquiries on this brief can be directed to Mr Derek Lai, Principal Assistant Secretary for Education, at 3509 8501.

Education Bureau
November 2022

Implications of the proposal

Financial implications

Recurrent Expenditure

The overall funding requirement for the University Grants Committee (UGC)-funded sector is worked out on the basis of an established framework, which takes into account the changes in pay/price levels and student numbers from the previous funding period. On the proposed increase of 1 605 UGC-funded RPg places, with 805 places from 2023/24 academic year onwards and another 800 places from 2024/25 academic year onwards, the increase in recurrent funding required for the UGC is estimated to be \$307.1 million¹ in the 2023-24 financial year, with the full-year effect of \$816.3 million¹ starting from the 2025-26 financial year onwards.

Capital Expenditure

2. The additional RPg students may give rise to increase in the demand for additional campus space for teaching and, in particular, research laboratories and collaborative working space given that they are expected to participate intensively in various research projects as part and parcel of their RPg training. Universities will also be recruiting additional academic and support staff to maintain existing faculty to student ratio so as to preserve the quality of research supervision and guidance for all RPg students.

3. In the 2019-20 Budget, the Government has set aside \$16 billion for enhancing and refurbishing campus facilities, in particular the provision of additional facilities essential for R&D activities such as laboratories. According to the latest position, a total of about \$3.4 billion have been committed for four new projects and some research-related minor projects, with more than ten campus development proposals with an aggregate project estimates of around \$13 billion are at different stages of preparation. If the universities propose new projects or reprioritise projects

¹ The recurrent funding requirement for the UGC-funded universities from 2023/24 to 2025/26 academic year is calculated in 2022 price-level for pay-related and projected 2022 price level for non-pay-related portion of subvention.

in preparation in view of new demand for teaching and research space due to enrolment of additional RPg students, EDB and the UGC will process these proposals in accordance with the established mechanism and in consultation with the relevant B/Ds.

4. As for the possible impact of the proposed increase in publicly-funded RPg places to the supply of and demand for the universities' hostel places, the UGC noted that as many of the hostel projects funded by the Hostel Development Fund are still in progress, there remains some fluidity to the situation. The UGC will keep in view the actual requirement of the student hostel places and seek additional resources through the established mechanism as and when necessary.

Economic implications

5. The proposed increase for UGC-funded universities in approved RPg places will help enhance their capacity to conduct researches, and expand Hong Kong's human capital pool to meet the needs of Hong Kong's economic developments.

Sustainability implications

6. The recurrent funding proposals are in line with the sustainability principle of enabling individuals to fulfil their potential by providing access to adequate and appropriate education.