

**LegCo Panel on Manpower
(Meeting on 20 December 2001)**

Continuing Education Fund (CEF)

Purpose

The purpose of this paper is to inform Members of the latest position regarding the proposed Continuing Education Fund and to seek members' views.

Background

2. In the 2001 Policy Address, the Chief Executive announced that the Government "will set aside \$5 billion to subsidise those with learning aspirations to pursue continuing education and training programmes. The aim is to help people to pursue continuous learning, thereby preparing us for the knowledge-based economy. Details of the plan, such as eligibility criteria and the maximum subsidy, will be announced after further public consultations. At present, many people have already enrolled in various courses in their spare time. This new subsidy will encourage this trend and help more people to upgrade themselves".

3. In the motion debate on the Policy Address, we stated four principles which will govern the operation of the Fund :

- (i) applicants must be adults aged 18 and above;
- (ii) eligible courses must be approved by Government;
- (iii) courses must contribute to the economic development of Hong Kong; and
- (iv) applicants may not enjoy double subsidy.

4. Since the Policy Address, we have held discussions with different sectors of the community regarding the operation of the Fund and the economic sectors to be covered. The consultations are still going on. There has been general acceptance of the above principles. In addition, there is acknowledgement that \$5 billion is a limited amount and in order to achieve some impact, we should target courses in the most promising sectors of the economy which offer potential for growth in job opportunities and which help enhance Hong Kong's overall competitiveness. It is also suggested that in order to achieve "value addedness" and to differentiate from other types of lifelong learning and skills upgrading, we should ensure that the courses are of high intensity and of relatively longer duration. We therefore intend to stipulate that these courses should be substantial and should lead to a qualification. Moreover, to avoid double subsidy, the courses must be self-financing.

Eligibility and Administration

5. We propose that students should contribute a minimum of 20% of the course fee in order to demonstrate commitment. Applicants would have to be between the ages of 18 and 60. We also propose to exclude those who already have a university degree so that the Fund can benefit more people with lower qualifications. To ensure that the CEF will benefit more people and serve its purpose of encouraging lifelong learning, we believe that students should not receive double subsidy. Hence potential students must choose between a grant from the CEF and any financial subsidy offered by the Student Financial Assistance Agency in the same academic year in respect of the same programme.

6. We propose that the Student Financial Assistance Agency should be responsible for administering payments from the CEF and maintaining the database. Applicants (who may apply once only) will have their "credit" recorded on a first come first served basis and will receive due reimbursement on successful completion of the course.

7. The Education and Manpower Bureau will be responsible for compiling and maintaining a list of approved courses to be drawn up in consultation with knowledgeable people in the community and the

targeted sectors.

Way Forward

8. We expect to present more detailed proposals to this Panel before submission to the Finance Committee of the Legislative Council in the first quarter of 2002. We intend to publicize the scheme and begin accepting applications in April. The \$5 billion is a one-off capital commitment so the total length of life of the CEF will depend on the speed at which eligible applications come forward and seek reimbursement.

Advice Sought

9. Members' views are sought on the content of this paper.

Education and Manpower Bureau
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