

Accreditation of Academic and Vocational Qualifications Bill

Information on Accreditation Fees

At the meeting of the Bills Committee on Accreditation of Academic and Vocational Qualifications Bill (the Bill) held on 16 May 2006, the Hong Kong Council for Academic Accreditation (HKCAA) was requested to provide information on the respective costs incurred in accreditation and the level of accreditation fees charged by the Council.

Fee charging policy

2. The HKCAA is a statutory and self-financing accreditation body. It is non-profit-making and charges fees for providing the accreditation services to recover the costs.

3. The accreditation fee currently charged by HKCAA is composed of the following three elements:

(a) Staff Cost	This reflects the actual professional staff time committed for providing this service. The manhours required by professional staff at operational level to complete each stage of the accreditation process (e.g. study of accreditation document, site visit, report writing) constitute the bulk of the staff cost. The manhours required by the senior staff on supervision and quality control account for a small portion of the cost item.
(b) Direct Cost	This is the essential and minimum expenditure for providing the service, e.g. honorarium of panel members, and transportation cost for the on-site visit to the institutions etc.

	For higher-level accreditation exercises (e.g. a degree programme) which involve overseas experts, the direct cost will also include airfare and accommodation.
(c) Overheads	This is to reflect the fixed cost of the Council, e.g. general administration, office rental, the benchmark is 50% of the sum of the staff cost and direct cost for a particular service.

4. The above fee charging formula was introduced in early 2004 and as a result, there was an overall reduction in accreditation fees of over 30% compared with those in the previous two years. Currently the accreditation fees charged for an Associate Degree course and a Pre-Associate Degree course are \$250,000 and \$140,000 respectively, compared with \$394,200 and \$269,000 before 2004.

5. The fee charging policy also allows the flexibility to offer discount to clients whenever there can be some savings on account of, for example, the conduct of a combined exercise for similar courses. From past experience, a discount of 20% to 40% can be made when two validations of similar programmes can be arranged concurrently or one immediately after the other, and the same or majority of panel members can be used in both validation activities.

Fee charging under the QF

6. Under the QF, there will be a wider range of education and training operators. The Council will implement a much streamlined and 'fit for purpose' quality assurance process, in accordance with the scale and nature of the accreditation exercise. Such a new QA approach will give room to further reduction of the accreditation fees. Furthermore, the Education and Manpower Bureau bears the overall development costs for the Council to establish a QA mechanism to underpin the QF. They will not be transferred to the accreditation fees.

7. For courses at the lower QF levels, for example, it is expected that the use of overseas experts in accreditation panels is no longer necessary. Moreover the deployment of junior professional staff to provide the accreditation services for these courses might be justified. These measures will help to cut down the accreditation fees. However, to ensure the quality of service, appropriate training would be provided by the HKCAA for the junior staff, including on-site mentoring by the more experienced staff at the initial stage of the implementation of the new QA approach.

8. Under clause 34 of the Bill, the Council shall, not later than 5 months before the close of each financial year, submit, among other things, a statement of its fee charging policy in relation to the accreditation exercises for the following financial year to the Secretary for Education and Manpower for his prior approval. This serves to monitor the Council's fee charging while allowing flexibility for the Council to determine its accreditation fee in consultation with the education and training providers.

Hong Kong Council for Academic Accreditation
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