

## **Legislative Council Panel on Manpower**

### **Funding Proposals for the Development and Implementation of Qualifications Framework in Hong Kong**

#### **Purpose**

At the meeting of the Legislative Council Panel on Manpower held on 17 May 2007, Members considered the funding proposals submitted by the Administration to support the development and implementation of the Qualifications Framework (QF) in Hong Kong. The Administration was requested to address the following issues raised by Members relating to the financial assistance schemes proposed in LC Paper No. CB(2)1828/06-07(13) :

- (a) measures to monitor the fee charging policy of assessment agencies under the Recognition of Prior Learning (RPL) mechanism, and the level of fees charged;
  - (b) the level of subsidy provided for employees undergoing RPL assessment, and whether reimbursement of RPL assessment fees could be made if employees did not have plans to enroll in QF-recognised training courses; and
  - (c) expanding the coverage of the proposed financial assistance schemes to include labour unions and trade associations as eligible training providers.
2. This note provides the Administration's response to the issues raised at the meeting.

#### **Administration's Response**

##### *Level of RPL assessment fees*

3. The RPL mechanism, developed under the QF, aims to give formal recognition to the knowledge, skills and experience acquired by employees so as to encourage them to pursue continuing education and

lifelong learning. Under the Accreditation of Academic and Vocational Qualifications (AAVQ) Ordinance, the assessment agencies which conduct the RPL assessment will be appointed by the Secretary for Education and Manpower (SEM).

4. Under section 8 of the Ordinance, in deciding whether to appoint or re-appoint an assessment agency, SEM shall have regard to, among other things, the fee charging policy of the agency. SEM may also impose conditions or restrictions in appointing or re-appointing an assessment agency.

5. We plan to implement in early 2008, on a pilot basis, the RPL mechanism for the first three industries<sup>1</sup> that have drawn up their Specifications of Competency Standards. We shall require that the appointed assessment agency should operate on a non-profit making basis and that the fee level should be set at a reasonable and affordable level. For employees seeking recognition of qualifications at QF Levels 1 to 3 based on their years of working experience and relevant experience and without the need to go through assessment, our current intention is to set the RPL assessment fee for each application at no more than \$300.

### ***Reimbursement of RPL assessment fees***

6. To encourage employees to pursue lifelong learning, we propose to subsidise 50% of the RPL assessment fees incurred by them, subject to a cap of \$1,000 per employee and upon their completion of a QF-recognized training course. To provide further incentive for employees to undergo RPL assessment and pursue training, the Administration will propose to the Finance Committee to increase the reimbursement rate to 100%. We will continue to cap the total amount of the reimbursement for each employee at \$1,000 to enable more employees to benefit from the scheme. Subject to the cap on the reimbursement amount, there will be no restriction on the number of assessment exercises an employee may undertake with the financial assistance.

7. We have considered the suggestion of removing the requirement

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<sup>1</sup> These three industries are Watch & Clock, Hairdressing, and Printing & Publishing.

for employees to pursue training before they can be eligible for reimbursement of RPL assessment fees. We are of the view that removing the requirement will take away the incentive element of the scheme as employees can claim reimbursement even if they do not pursue further training. This will defeat the primary purpose of the reimbursement scheme which is to encourage employees to pursue learning or training.

### ***Eligibility of training providers***

8. As explained at the meeting on 17 May 2007, it is a longstanding principle that the Government would provide subsidies to non-profit making organizations only. For this purpose, a charitable institution or trust of a public character which is exempted from tax under section 88 of the Inland Revenue Ordinance will be accepted as a non-profit making organization and be eligible for the accreditation grants and other subsidies under the proposed financial assistance schemes. Any organisation which wishes to acquire the non-profit-making status may apply to the Inland Revenue Department.

9. Given this established principle, we are unable to extend the eligibility criteria for the subsidies to cover organizations that are not classified as non-profit-making. If we were to extend the criteria to cover labour unions, other organizations such as trade associations and professional bodies will likely have a claim for similar treatment. The Government will have difficulty in holding the line or refuse subsidizing profit-making organizations.

### **Way Forward**

10. Members are requested to note the content of this paper. The revised funding proposals will be submitted to the Legislative Council Finance Committee for consideration on 22 June 2007.

Education and Manpower Bureau  
June 2007