

For discussion on
12 July 2010

Legislative Council Panel on Manpower
Monitoring of Courses Registered
under the Continuing Education Fund

PURPOSE

This paper briefs Members on the monitoring of courses registered under the Continuing Education Fund (CEF).

BACKGROUND

2. The CEF aims to encourage continuing education as our society becomes increasingly globalised and knowledge-based. The Finance Committee (FC) of the Legislative Council approved in April 2002 a commitment of \$5,000 million to launch the CEF. An additional \$1,200 million was injected into the CEF with FC's approval in July 2009 as a one-off measure in the light of the economic downturn. When announcing the proposed injection into the CEF, the Financial Secretary indicated that the CEF should not be considered as a standing fund in the long run.

3. Under the CEF, Hong Kong residents aged between 18 and 65 are eligible to apply for reimbursement of 80% of the fees of any CEF registered course upon successful completion of the course, up to a ceiling of \$10,000 for each applicant. An applicant can submit to the Office of the Continuing Education Fund (OCEF) a maximum of four claims in respect of courses completed within a four-year period from the date he opened an account with the OCEF. As at end-May 2010, around 7 000 courses provided by around 290 course providers are registered under the CEF. Over 520 000 CEF applications have been approved. Reimbursement of around 390 000 claims, involving \$2,700 million have been completed. Another \$2,600 million has been committed for future disbursement in respect of approved applications.

MONITORING MECHANISM UNDER THE CEF

Registration of Courses under the CEF

4. Before the Qualifications Framework (QF) was launched in May 2008, education and training courses falling within eight specified domains, i.e. business services, financial services, logistics, tourism, creative industry, design, language, and interpersonal and intrapersonal skills for the workplace, might be registered as reimbursable courses under the CEF after assessment by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) and approval by the Labour and Welfare Bureau (LWB).

5. To further enhance quality assurance, following the implementation of the QF, all new courses are required to undergo a formal accreditation process before they could be registered under the CEF. Courses designed in accordance with the Specifications of Competency Standards developed by the respective Industry Training Advisory Committees under the QF but falling outside the eight specified domains may now also be registered.

CEF Terms and Conditions on Student Admission

6. Course providers are required to comply with a set of terms and conditions laid down in the Letter of Approval issued to them after the approval and registration of the respective courses under the CEF (CEF terms and conditions).

7. There are specific requirements in the CEF terms and conditions on the promotion of CEF reimbursable courses which aims to prevent course providers from admitting students indiscriminately. To protect learners' interest, only those courses which have been registered are allowed to be promoted as CEF reimbursable courses. Course providers are not allowed to advertise themselves as the agents, employees, servants, representatives or partners of the Government. The OCEF may ask a course provider to withdraw or cease using any promotional materials which it considers to be inappropriate or undesirable. To prevent learners from being lured by financial inducements to sign up for courses, course providers are not allowed to offer any gifts, discounts or any other concessions. Furthermore, course providers are held accountable for all acts and omissions of their agents and sub-contractors in relation to observing the CEF terms and conditions. Course providers are also prohibited from engaging learners who are applying for reimbursement under the CEF as recruitment agents.

8. In addition, course providers are required to specify in their applications for registering CEF reimbursable courses the admission requirements of learners. The HKCAAVQ will assess if the admission requirements are appropriate in accordance with the level and requirements of the respective courses. If approved, course providers are then required to conduct admission according to the requirements and maintain related documentary record. This stipulation helps ensure that learners are admitted to courses that suit their ability.

Inspection of CEF Courses

9. CEF course providers are subject to the on-going monitoring of the OCEF and the HKCAAVQ to ensure compliance with the CEF terms and conditions. During inspection, the OCEF and the HKCAAVQ require course providers to provide documentary proofs (such as enrolment forms, attendance record, assessment test and answer sheets, course evaluation forms, receipts of course fees, promotional brochures, etc.) of students who have applied for CEF reimbursement. In addition to regular inspections, the OCEF also conducts surprise inspections during classes to check the attendance record and number of learners present, etc., to deter the occurrence of “bogus students”. A written warning will be issued to the course provider in case of any non-compliance with the CEF terms and conditions. If the breach is serious or repetitive in nature, the LWB will, in consultation with the OCEF and the HKCAAVQ, consider de-registering the concerned course(s) from the list of CEF reimbursable courses to safeguard the interests of learners. In case of any suspected criminal activities, such as deception or bribery, the OCEF will immediately refer the case to the relevant law enforcement agencies for follow-up action.

10. During the period from April 2007 to end-May 2010, the OCEF received a total of 88 complaints against CEF reimbursable courses, involving 76 course providers. Altogether 38 of these complaints were substantiated or partially substantiated after investigation. The 27 course providers involved have failed to comply with the CEF terms and conditions, mainly in relation to publicity and promotional practices, course quality and delivery, refund of course fees as well as suspected fraud. Of the 38 substantiated and partially substantiated complaints, taking into account the subject matter of the complaint as well as other findings from investigations, the LWB has de-registered 34 courses involving six course providers. The remaining 21 course providers received written warnings from the OCEF.

Further Enhancement Measures in Recent Years

11. The Administration reviews from time to time the operation of the CEF and introduces measures to enhance quality assurance and monitoring of CEF courses. Measures introduced in the past three years include a standard refund policy, a risk-based monitoring mechanism, publication of updated records on CEF courses on the OCEF website and enhancing the search function of the website, collection of course fees by equal monthly instalments, stepping up inspection of courses (e.g. the number of inspections conducted by the HKCAAVQ and the OCEF in 2009-10 increased to 294 (or by 52%) compared to 194 in 2008-09) and strengthening communication with course providers. The last report to the Panel on Manpower on this was made on 18 June 2009 vide LC Paper No. CB(2)1859/08-09(03).

Learners to Exercise a Wise Choice

12. Ultimately, it is important for learners to be vigilant in selecting courses that suit their needs. The OCEF has enhanced the transparency of CEF courses by including detailed information on CEF courses including names of courses and course provider, course outline, duration, the level of assessment result and attendance required in order to get CEF subsidy, tuition fees and refund mechanism on its website. A set of tips on selecting course providers and courses has also been uploaded to the OCEF website since December 2009. Learners are reminded to browse the OCEF website to check that the course is indeed CEF reimbursable and to consider whether they could afford the course. Learners are advised not to enrol hastily because of promotion or peer influence.

WAY FORWARD

13. We will continue to strengthen the monitoring and risk-based inspection of CEF courses to ensure compliance with the CEF terms and conditions as deemed appropriate. We will also continue to enhance the transparency of CEF courses and remind learners to exercise caution in choosing CEF courses that suit their needs. Members are invited to note the initiatives in monitoring CEF courses set out above.