

ITEM FOR FINANCE COMMITTEE

HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION BUREAU Subhead 700 General Non-recurrent

New Item “Pilot Subsidy Scheme for Students of Professional Part-time Programmes”

Members are invited to approve a new commitment of \$200 million for the Vocational Training Council to implement the Pilot Subsidy Scheme for Students of Professional Part-time Programmes.

PROBLEM

We see a need to encourage working adults to pursue higher qualifications which would help enhance their upward mobility, and promote vocational and professional education and training (VPET) in Hong Kong.

PROPOSAL

2. The Secretary for Education proposes to create a new commitment of \$200 million for the implementation of the Pilot Subsidy Scheme for Students of Professional Part-time Programmes (the Pilot Scheme) by the Vocational Training Council (VTC).

JUSTIFICATION

Part-time programmes

3. Similar to full-time programmes, part-time programmes are developed to cultivate in learners a specific knowledge and skills domain. They play an important role in promoting continuing education and enhancing the

/competitiveness

competitiveness of the workforce as the part-time mode of study allows working adults to receive education and training during employment for career advancement.

4. Arising from the booming engineering and construction services industries, their related trades are facing keen manpower demand. These trades are highly specialised and have a comparatively high skill requirement which renders recruitment and retention of employees more difficult.

5. VTC's full-time Higher Diploma (HD) graduates of the relevant disciplines are well received by employers as evidenced by their high employment rate and comparatively high starting salary. Graduates of similar part-time programmes should be equally popular as both full-time and part-time programmes have the same exit standard and graduates are equipped with identical skills and knowledge which meet the manpower needs of local industries. Part-time graduates are considered to be even more competitive as they have years of work experience when compared with their full-time counterparts. According to employment statistics of VTC graduates from 2011 to 2015, an average of 93% of the graduates of full-time HD programmes in the relevant disciplines who intended to seek employment managed to secure full-time employment within six months after graduation and their average starting salary is \$13,800.

6. As regards the age profile of students in the relevant disciplines, those who are aged 25 or above account for 72% and 96 % of the total intake on average in part-time HD programmes in the 2015/16 academic year (AY) and Professional Certificate (PC)/Professional Diploma (PD) programmes in the 2014/15 AY respectively.

7. Although these part-time programmes could provide students with good career prospects, most part-time programmes in the construction and engineering disciplines are offered on a self-financing basis¹. For reference, the tuition fees of part-time HD programmes (with a normal duration of study of three years) offered by VTC in the 2015/16 AY range from some \$70,000 to around \$90,000 and those of part-time PC/PD programmes (with a normal duration of study of six months to two years) range from around \$6,000 to \$50,000.

/Pilot

¹ Those offered for registered apprentices under the Apprenticeship Ordinance (Cap. 47) and the retraining programmes under the Employees Retraining Board are publicly-funded.

Pilot Subsidy Scheme for Students of Professional Part-time Programmes

8. Under the Pilot Scheme, each eligible applicant for the subsidy should meet all the following criteria –

- (a) being a resident of Hong Kong who is lawfully employable in Hong Kong; and
- (b) has newly and successfully enrolled for the first time into the relevant self-financing part-time programme offered by VTC². The programme enrolled should be –
 - (i) accredited at Qualifications Framework (QF) Level 3 to 5 by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, excluding Associate Degree and bachelor's degree programmes; and
 - (ii) within the area of study/training in “Architecture and Town Planning” or “Engineering and Technology” under the classification of the Hong Kong Qualifications Register (QR)³.

9. Successful applicants will be refunded 60% of the tuition fees of eligible programmes, subject to a maximum of \$45,000 per person. Each applicant may apply for fee refund for not more than two programmes under the Pilot Scheme. The tuition fee will be reimbursed by instalments at the end of each term of the programme upon successful completion.

10. The list of 55 eligible programmes/qualifications offered by VTC by area of study/training under the Hong Kong QR and QF level as at 15 April 2016 (excluding programmes to be phased out starting from the 2016/17 AY) is at Encl. Enclosure. The list may be expanded to include some new programmes within the relevant disciplines at QF Level 3 to 5, which are in the pipeline and will be introduced by VTC later.

/Implementation

² Any proposed increase in tuition fee levels of the relevant programmes above the increase of the Consumer Price Index for the year is subject to the approval of the Education Bureau.

³ The Hong Kong QR is a centralised online database containing information on quality assured qualifications under the Hong Kong QF.

Implementation and Review

11. It is estimated that the Pilot Scheme will benefit around 5 600 students in total for three cohorts from the 2016/17 AY (i.e. covering almost 100% of newly enrolled students). VTC will promote the Pilot Scheme through its website and other media channels, as well as paying visits to relevant industry associations, trade unions, alumni clubs, etc. A review on the effectiveness of the Pilot Scheme will be conducted in due course having regard to the number of applications, completion rate as well as feedback from relevant parties. The duration of the Pilot Scheme may be briefly extended to benefit more students in case there are unexpended funds after implementation for the three cohorts.

FINANCIAL IMPLICATIONS

12. The proposal will incur a total non-recurrent expenditure of \$200 million for three cohorts of students, including both tuition fee subsidy and VTC's administrative cost for implementing the Pilot Scheme. The estimated cash flow requirement from the 2016-17 to 2021-22 financial years is as follows –

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
(a) Tuition fee subsidy	6.3	33.1	55.7	60.2	27.6	6.1	189.0
(b) Administrative cost	1.0	2.0	2.0	2.0	2.0	1.0	10.0
Total	7.3	35.1	57.7	62.2	29.6	7.1	199.0

PUBLIC CONSULTATION

13. We consulted the Legislative Council Panel on Education on 9 May 2016 regarding the Pilot Scheme. Members supported the proposal.

BACKGROUND

14. VPET has been playing a pivotal role in nurturing the requisite human capital in support of Hong Kong's development by providing multiple and flexible pathways for people with diverse aspirations and abilities. It also helps unleash the different potentials of individuals, enabling them to move up the social ladder.

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15. In order to further encourage continuing education, the Financial Secretary announced in the 2016-17 Budget the implementation of the Pilot Scheme to provide tuition fee subsidy for three cohorts of students admitted from the 2016/17 AY to designated professional part-time programmes offered by VTC, covering programmes in the disciplines of construction, engineering and technology. The Pilot Scheme aims at encouraging working adults to pursue higher qualifications which help enhance their upward mobility.

16. VTC is a statutory subvented organisation providing a wide range of full-time and part-time VPET programmes which lead to formal qualifications from post-Secondary 3 up to master levels (i.e. QF Levels 2 to 6). Each year, VTC provides about 250 000 training places in various pre-employment and in-service VPET programmes to address education needs of different people, such as non-Chinese-speaking youths and adults, and people with special education needs, etc.

Education Bureau
May 2016

**List of Eligible Programmes/Qualifications
under Vocational Training Council
by Area of Study/Training under Hong Kong Qualifications Register (QR)
and Qualifications Framework (QF) Level**

(as at 15 April 2016)

Architecture and Town Planning

	Programme/Qualification	QF Level
1.	Professional Diploma in Construction Site Supervision (QF Level 4)	4
2.	Professional Certificate in Building Diagnosis and Inspection	4
3.	Professional Certificate in Building Maintenance Management	4
4.	Professional Diploma in Horticulture and Landscape Management	4

Engineering and Technology

	Programme/Qualification	QF Level
1.	Diploma in Automotive Engineering ^{Note}	3
2.	Diploma in Building Services Engineering ^{Note}	3
3.	Diploma in Building Studies ^{Note}	3
4.	Diploma in Civil Engineering ^{Note}	3
5.	Diploma in Electrical Engineering ^{Note}	3
6.	Diploma in Mechanical Engineering ^{Note}	3
7.	Diploma in Surveying ^{Note}	3
8.	Certificate in Railway Engineering (Data Collection and System Assurance Module)	4
9.	Certificate in Railway Engineering (Drives and Traction & Electromagnetic Compatibility Module)	4
10.	Certificate in Railway Engineering (Intermittent and Hidden Fault Finding in Train Module)	4
11.	Certificate in Railway Engineering (Modern Railway Organizations and Infrastructures Module)	4
12.	Certificate in Railway Engineering (Railway Asset Management Module)	4
13.	Certificate in Railway Engineering (Railway System Assurance Module)	4
14.	Certificate in Railway Engineering (Signalling Circuits and Systems Module)	4
15.	Certificate in Railway Engineering (Signalling Design and Applications Module)	4
16.	Certificate in Railway Engineering (Signalling Principles Module)	4

^{Note} Students may exit from the Higher Diploma programmes they studied with an intermediate award at Diploma level upon meeting the stipulated requirements.

	Programme/Qualification	QF Level
17.	Higher Diploma in Aircraft Maintenance Engineering	4
18.	Higher Diploma in Automotive Engineering	4
19.	Higher Diploma in Building Services Engineering	4
20.	Higher Diploma in Building Studies	4
21.	Higher Diploma in Civil Engineering	4
22.	Higher Diploma in Electrical Engineering	4
23.	Higher Diploma in Mechanical Engineering	4
24.	Higher Diploma in Surveying	4
25.	Professional Certificate in Android Phone Applications Development	4
26.	Professional Certificate in Automotive Technology	4
27.	Professional Certificate in Electrical and Mechanical Technology in Buildings (Construction)	4
28.	Professional Certificate in Electrical and Mechanical Technology in Buildings (Maintenance)	4
29.	Professional Certificate in Environmental Management for Construction (Environmental Officer)	4
30.	Professional Certificate in Fashion Jewellery Design and Marketing	4
31.	Professional Certificate in Fine Jewellery Design and Brand Management	4
32.	Professional Certificate in Green Building Technology	4
33.	Professional Certificate in Green Lighting Technology and Application	4
34.	Professional Certificate in iPhone Applications Development	4
35.	Professional Certificate in Marine Operations	4
36.	Professional Certificate in Product Testing	4
37.	Professional Certificate in Quantity Surveying Practice	4
38.	Professional Certificate in Railway Signalling System	4
39.	Professional Certificate in Rolling Stock Maintenance	4
40.	Professional Certificate in Shipboard Operations	4
41.	Professional Certificate in Watch Services Management	4
42.	Professional Certificate in Watch Technology and Repairing	4
43.	Professional Diploma in Automotive Technology and Management	4
44.	Professional Diploma in Electrical and Mechanical Technology in Buildings	4
45.	Professional Diploma in Environmental Technology and Management	4
46.	Professional Diploma in Fine & Fashion Jewellery	4
47.	Professional Diploma in Marine Operations	4
48.	Professional Diploma in Mobile Applications Development	4
49.	Professional Diploma in Railway Engineering	4
50.	Professional Diploma in Watch Technology and Services Management	4
51.	Professional Diploma in Plumbing Engineering for Building Services	5
