

*Hospitality training provided by the Hotel and Tourism Institute,
the Chinese Culinary Institute and the International Culinary Institute*

The Audit Commission ("Audit") conducted a review of the hospitality training provided by the Hotel and Tourism Institute ("HTI"), the Chinese Culinary Institute ("CCI") and the International Culinary Institute ("ICI") (hereinafter, HTI, CCI and ICI are referred to collectively as "the Institutes"), which are member institutions of the Vocational Training Council ("VTC").

2. The Institutes specialize in offering programmes on hospitality.¹ To provide integral vocational training beyond classroom, the Institutes have established a training hotel ("The T Hotel"). In academic year 2017-2018 (unless stated otherwise, all years mentioned hereinafter refer to academic years), the Institutes offered 34 full-time programmes and 43 part-time programmes. The numbers of full-time students and part-time students enrolled were 3 000 and 4 416 respectively.

3. The Committee noted the following findings from the Director of Audit's Report:

- from the Institutes' review of 22 full-time programmes and six part-time programmes conducted in 2016-2017, Audit found that:
 - (a) the enrolment rates of seven (32%) of these 22 full-time programmes only ranged from 0% to 77%;
 - (b) the retention rates of HTI's full-time Certificate programmes, CCI's full-time Certificate programmes and ICI's full-time Diploma programmes were below the target retention rate of 85%; and
 - (c) the pass rates of HTI's full-time Certificate programmes, CCI's full-time Certificate programmes and part-time Diploma programmes and ICI's part-time Certificate programmes were below 80%;
- according to VTC's General Academic Regulations, all students of Higher Diploma programmes were required to complete industrial attachment for graduation. However, there was no industrial

¹ The programmes are offered at four campuses, which are located in the VTC Pokfulam Complex, the ICI Building, the VTC Kowloon Bay Complex and the VTC Tin Shui Wai Building respectively.

*Hospitality training provided by the Hotel and Tourism Institute,
the Chinese Culinary Institute and the International Culinary Institute*

- attachment module for the Higher Diploma in Baking and Pastry Arts and the Higher Diploma in Culinary Arts offered/to be offered by CCI and ICI, and no documentary evidence was available showing the justifications and approval for the deviation from the above Regulations;
- in the five-year period from financial year 2013-2014 to 2017-2018, the monthly occupancy rates of The T Hotel ranged from 28.3% to 81.5%, averaging 54.9%. The monthly occupancy rates in 53 (88%) of the 60 months were lower than the 70% rate used by the Institutes for planning purpose;
 - rooms of The T Hotel could be booked through online booking platforms provided by a travel agency or direct reservation with the hotel by telephone or email. However, in the period from 2016 (May to December) to 2018, less than 20% of room nights were allocated to the agency booking channel, despite that the annual selling rates (i.e. the percentage of allocated room nights sold) of the agency booking channel (ranging from 96.9% to 99.7%) was significantly higher than the annual selling rates of the direct booking channel (ranging from 54.5% to 58.5%);
 - the number of guests using the training spa in The T Hotel ranged from 356 to 565 each year between 2016 and 2018, and the percentage of days in 2018 during which no guests used the training spa was 25%;
 - The T Hotel collected feedback from guests through comment cards, and the annual response rate in relation to the guest satisfaction decreased from 21% in financial year 2013-2014 to 13% in financial year 2017-2018. The satisfaction survey questionnaire designed for customers of the training restaurants and the lounge only covered trainees' English standard but not their Putonghua standard; and
 - in December 2013, VTC's Internal Audit Unit completed an audit on the operation of The T Hotel and made 64 recommendations. In October 2015, actions to implement 38 (59%) of the these recommendations were not completed. As at 30 November 2018, of these 38 recommendations, two had not been followed through.

*Hospitality training provided by the Hotel and Tourism Institute,
the Chinese Culinary Institute and the International Culinary Institute*

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the price of room nights allocated and sold through the agency booking channel and the direct booking channel; measures to enhance the occupancy rate of The T Hotel and improve the utilization of training spa; the collection of feedback from customers of The T Hotel's training restaurants and the lounge; and the wine sales of The T Hotel. The replies from **Executive Director of VTC** are in *Appendix 16*.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.