

Ref: ED-2020001

22 January 2020

Mr Anthony Chu Clerk, Public Accounts Committee Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee Consideration of Chapter 2 of the Director of Audit's Report No. 73 Provision of consultancy, research and development and training services by the Hong Kong Productivity Council (HKPC)

The Hong Kong Productivity Council (HKPC) leverages technological inventions and applications to facilitate small and medium enterprises (SMEs), industry organisations and government departments to resolve technical difficulties. With the changing needs from the industry, HKPC has been evolving with time to fulfill the actual requirements of the market. Thanks to the audit on the work of HKPC carried out by the Audit Commission, as well as the inquiries from the Public Accounts Committee (PAC) of the Legislative Council, HKPC apprehends even better the importance of imposing more prudent project management guidelines to facilitate the development of local industries, making use of our unique advantages in the R&D regime to undertake the public missions.

As requested under your letter with reference (CB4/PAC/R73) dated 9 January 2020, the relevant information and attachments are listed as follows:

(a) Supplementary information on projects similar to Case 1 in paragraph 2.24:

During the five-year period from 2014-15 to 2018-19, HKPC carried out more than 4,000 consultancy projects (included both completed and terminated projects). Such number included Case 1 and three other projects that were terminated with refund due to technical difficulties, accounted for 0.1% of the total number of projects. Among these three other projects, HKPC provided full refunds respectively to the clients. Semi-finished deliverables were released to clients for one of the projects, while the other two were not released. (See Table A)

Table A

Project Number	Year of Termination	Contract amount (HKD)	Amount of loss (HKD)	Amount of refund (HKD)	Semi-finished deliverables released to clients
a1	2014-15	110,000	109,596	66,000	No
a2	2014-15	150,000	153,348	105,000	No
a3	2017-18	350,000	245,154	300,000	Yes

Project a1:

In project a1, HKPC was commissioned by a client to develop an "Interactive Door Interlocking System". The project was commenced in December 2010, with clear technical requirements listed in the project proposal, and an original schedule to complete the project by July 2011. Due to the change of project manager for two times, the project schedule was severely lagged behind for 29 months. The third



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project manager later re-examined the technical difficulties of the project, and discovered that the 2.4GHz wireless data transmission technology required under the technical specifications should reach a transmission distance of 10 metres. However, due to the design defects in the Printed Circuit Board (PCB), even after multiple amendments, the data transmission distance only reached about a metre, and was not able to meet the technical requirements under the project proposal. If HKPC was to amend the according product design, a huge cost might be induced, which would far exceed the budget under the project agreement. Hence, it was recommended to the management to terminate the project, and provide a full refund of HKD 66,000 to the client. The client also returned all semi-finished deliverables to HKPC.

Project a2:

In project a2, HKPC was commissioned by a client to develop a Time Accuracy Detection System for Mechanical Watches using Image Processing Methods. This project was commenced in August 2011. With a clear technical requirement listed in the project proposal, this project was originally scheduled to complete in August 2012. The original project manager underestimated the technical difficulty severely in the project, hence even the project team had paid the best efforts, the project was seriously delayed, with the system response, speed and accuracy far from acceptable to the technical requirements listed in the project proposal.

In February 2014, a new project manager re-examined the technical difficulty of the project, and evaluated that the cost for amending the system to perform righteously would far exceed the agreement budget. By that time, the project was already delayed for 18 months. Hence, it was recommended to the management to terminate the project, and provide a full refund of HKD 105,000 to the client. The client also returned all semi-finished deliverables to HKPC.

Project a3:

In project a3, HKPC was commissioned by a client to develop new materials for the pre-fabricated plastic panel for interior application. Such new materials should be able to mass produce in factories and use for interior decoration. The project was commenced in December 2015 and was expected to take 7 months to complete originally. However, as the project deliverable listed in the project proposal was seen as ambiguous, the client and HKPC shared adverse views on such project deliverables, including how would the new materials be seen as fully developed. The HKPC project team considered the materials being developed after the sample of new material was made; however, the description listed in the project proposal could be reasonably seen that the project would complete after a technical solution was found to produce the material in an economic manner inside a factory.

After several rounds of communications between the client and HKPC, it was recommended to terminate the project. The project team also sought advice from the internal legal counsel to the termination agreement. Considering the ambiguity on the project deliverables as listed in the project proposal, huge cost would be incurred if the team was to follow the client's interpretation, not to mention the litigation risks. Hence, HKPC provided a full refund on the received payment of HKD 300,000 together with the semi-finished deliverables. The client and HKPC reached the termination agreement in April 2017.

- (b) Summarising the learnings from Case 1 in paragraph 2.24, HKPC will implement the following improvement measures to enhance the risk management of consultancy projects:
- General Managers of divisions should strengthen the review on project risk assessments, technical
 specifications and outlining project deliverables for consultancy projects, to ensure that project
 deliverables are mutually confirmed by both parties when endorsing the formal agreement. Moreover,
 both parties should share the same understanding of the project deliverables clearly as listed in the
 project proposal.
- External legal counsel will be engaged to evaluate the terms and conditions as listed in standard consultancy project proposals and standard contracts. Amendments will be made in case of potential



contradictory clauses or loopholes. For example, to supplement clauses related to the change of agreement scopes, project delays, or clients fail to cooperate with the execution of the project under reasonable timeframe, etc. Supplementary clause will also be added to the standard agreement, to stipulate that in case of inconsistency between project proposal and agreement, the agreement shall prevail.

- The HKPC management would strengthen the monitoring towards project management and execution, and add regular reviews for the reasons on projects lagging behind, as well as those with an accumulative cost almost reaching the estimated budget. These measures will help the management to identify high-risk projects and provide appropriate assistance to prevent the projects from failing.
- Should there be projects that require termination resulting from the failure by HKPC in fulfilling the
 agreement, and that could not achieve cost recovery, upon obtaining internal legal advice, HKPC would
 also consider to seek advice from external legal counsel on the project termination arrangement.

(c) Supplementary information on paragraph 3.3 and table 10:

(i) Since 2010-11, HKPC has implemented the framework and mechanism for Key Performance Indicators (KPIs). Two of the KPIs are "number of new R&D projects" and "number of on-going R&D projects", whose definitions have been in use since then till now.

The KPI of "number of new R&D projects" is defined as the number of Innovation and Technology Fund (ITF) projects with R&D elements; projects supported by the Corporate Fund for Commercial Research and Development (CRD), as well as R&D projects conducted by divisions with other funding sources (e.g. government funding schemes other than ITF, funding from external clients) which are accepted in the SAP during the year, excluding projects that are terminated.

The KPI of "number of on-going R&D projects" is defined as the number of ITF projects with R&D elements, projects supported by the Corporate CRD Fund, R&D projects conducted by divisions with other funding sources (e.g. government funding schemes other than ITF, funding from external clients) which are in progress during the year, according to SAP record, excluding projects that are terminated.

(ii) When setting annual targets for the KPIs of "number of new R&D projects" and "number of on-going R&D projects", reference will be made to the current year's target, taking into consideration also the actual performance of the previous year, plus the economic forecast of the coming year. When the targets for the two respective KPIs were set for 2019-20, reference was made to the adopted targets for 2018-19, the actual figures achieved in 2017-18, as well as the anticipated market conditions in 2019-20. The targets set for "number of new R&D projects" and "number of on-going R&D projects" were respectively 40 and 80 in 2019-20.

During 2014-15 to 2018-19, in view of a gloomy economic condition, and the uncertainties from the ITF project applications, those two KPI targets were made in a conservative principle.

(iii) Under the current KPI framework, "income from R&D projects" is not a KPI. HKPC and ITC will further evaluate and examine the suitability to include the income from R&D projects in the KPIs to reflect the performance of HKPC in R&D projects in a comprehensive and holistic manner.

Since the income from R&D projects is not one of the KPIs, HKPC did not set any budget target for this item during 2014-15 to 2018-19.







From 2014-15 to 2018-19, the total revenue of R&D projects is as follows:

Major Divisions	2014-15 HKD (m)	2015-16 HKD (m)	2016-17 HKD (m)	2017-18 HKD (m)	2018-19 HKD (m)
AED	29.1	33.2	21.3	30.5	31.6
EMD	14.5	13.2	11.5	15.4	13.2
SMD	15.6	25.5	43.4	45.7	55.1
Others	-	-	-	0.3	0.1
Total revenue of	59.2	71.9	76.2	91.9	100.0
R&D projects					

(d) Supplementary information on paragraph 3.4:

- (i) Under the KPI framework, HKPC's performance is evaluated by KPIs under four performance measures, namely "service delivery", "operating efficiency", "financial results" and "effectiveness". The KPI of "number of consultant projects accepted" is a KPI under the performance measure of "service delivery" and the "number of new R & D projects" is a KPI under the performance measure of "effectiveness ". Hence these two KPIs are used to measure HKPC's performance in two different dimensions in the year. HKPC sees no special issue in counting projects under the two KPIs concurrently.
- (ii) HKPC has drawn up clear guidelines on the classification of projects into consultancy projects and R&D projects and on the counting of projects for performance measurement against targets. To define more clearly what "R&D" elements are, the KPI guideline has been enhanced by including a statement that projects with "R&D elements" refer to:

projects that involve the development of new knowledge or application of existing knowledge in new areas, or both. Such projects are required to have the following elements: novelty, creativity and uncertainty.

As for definition on "consultancy projects", please refer to the Standard Practice F3, as in P.9 – 12 of attachment File 1. The same document was previously submitted to PAC (our ref: ED-2019026; attachment: Chap 2_e(vii))

The guidelines states clearly that only projects with the specified R&D elements, be they consultancy projects or other project types, are eligible for counting under the KPIs of "number of new R&D projects" and "number of on-going R&D projects" for performance measurement against targets.

(e) Supplementary information on the "number of on-going R&D Projects":

(i) According to the definition of the KPI of "on-going R&D projects", newly accepted projects with R&D elements which are completed or still in progress by end of the year will be counted under the KPI". The "number of on-going R&D projects" hence also includes "number of new R&D projects". The "number of new R&D projects" is a KPI that reflects HKPC's performance in supporting enterprises through new technologies or innovative applications. The "number of on-going R&D projects" serves as an indicator to measure resources contributed to R&D efforts. In summary, the two KPIs measure HKPC's performance in different dimensions. HKPC does not see any issue in counting eligible projects under the two KPIs concurrently in line with their definitions which have been in use since inception of the two KPIs.

*Note by Clerk, PAC: See Appendix 22 of this Report for File 1.



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- (ii) In undertaking R&D projects for industry enterprises and SMEs, or R&D projects with ITF funding support, HKPC project teams always put their best efforts to honour the project timeframe committed to clients in the project agreements. Whenever there are project delays, there might be extra cost incurred, or even legal litigations. Hence, HKPC never considers delaying projects by intention for the purpose of meeting the target for the KPI of "number of on-going R&D projects".
- (iii) Further to the recommendation from the Director of Audit and the inquiries from the public hearings of PAC, HKPC and ITC will review the full set of KPIs and their targets. It is planned to submit the revised KPIs and targets for 2020-21 to the Council for approval by March 2020. Upon obtaining the Council's approval, HKPC will formally seek the approval of the Commissioner for Innovation and Technology (CIT) by end March 2020, in line with the requirement in the Memorandum of Administrative Arrangements (MAA), with a view to implementing the new set of KPIs and targets in 2020-21.

(f) Supplementary information on paragraph 3.9 and 3.10:

In July 2018, in view that some projects might not be completed as committed, the HKPC management decided to step up the supervision and monitoring efforts by implementing a new mechanism. Under which, whenever a division foresees the potential delay of a project, project managers are required to report and elaborate to the management on a weekly basis. The HKPC management will then supervise the progress and instruct other experts in HKPC to provide technical solution, with aim to accelerate project completion. HKPC is gradually seeing the effectiveness of such measure. Project managers are also constantly reminded to complete the relevant project documents and reports, to avoid delays in the project execution process.

(g) During 2019-20 (as of December 2019), a total of 4 R&D projects were delayed, accounting for about 10% of R&D projects completed during the same period, which was a significant improvement from 37% in 2018-19.

(h) Supplementary information on patents owned by HKPC:

(i) The patents that HKPC has applied for are generally used to develop new projects and thus provide services to industries. Moreover, those are made to protect intellectual property rights and prevent plagiarism, instead of making it as an income generator.

HKPC will make use of the patents to develop new projects, providing services to the industries. For example, if there are R&D projects that required automated production line or production process, HKPC will apply related technology to the development of machinery R&D or assembly of production line to complete the entire R&D project.

In the past five years (2014-15 to 2018-19), HKPC has completed a number of R&D projects through the above operating model, which had generated a revenue of HKD 140 million. This proves HKPC's contribution to fulfill the R&D needs of the industries.







(ii) As of December 2019, HKPC registered a total of 131 patents and has submitted 45 patent applications which are in progress.

Nation/Region	Patent type	Patented	Application submitted
Hong Kong	Short-term	46	2
Hong Kong	Standard	12	7
Mainland China	Invention	30	29
Iviainiana China	Utility model	35	6
Singapore	Invention	2	0
US	Invention	3	1
Macau	Invention	2	0
Malaysia	Invention	1	0
	Total	131	45

(iii) Patents are accounted in accordance with Hong Kong Accounting Standard 38 Intangible Assets. Under the Hong Kong Accounting Standard 38, internally generated patent usually lacks sufficient ground to be capitalised because of the difficulty in proofing the future economic inflows that it may generate, as well as the reliability in measuring the costs. According to paragraph 72 of such Accounting Standard, patents can only be revalued if they can be traded in an active market. The policy should be applied to the whole of a class of patents and not merely to individual patent, unless there is no active market for an individual patent. In this aspect, HKPC did not capitalise patents as intangible assets and has not included valuation for its patents in its accounts.

(i) Supplementary information on HKPC follow-up measures:

- Further to the recommendation from the Director of Audit and the inquiries from the public hearings of PAC, HKPC and ITC will review the full set of KPIs and their targets. It is planned to submit the revised KPIs and targets for 2020-21 to the Council for approval by March 2020. Upon obtaining the Council's approval, HKPC will formally seek approval from CIT by end March 2020, in line with the requirement in the MAA, with a view to implementing the new KPIs and targets in 2020-21. The KPI will cover the two KPIs of "Number of patent/licence/royalty" and "Number of products/ technologies commercialised". In an effort to reflect the R&D contribution and results on commercialisation, HKPC will also establish some internal projects to record R&D projects done at division levels. These eventually will be reflected through product or technology commercialisation.
- On 19 December 2019, HKPC organised the TechDive seminar to promote the latest technological development and trend, and also our patent and applied solutions for the industry. With use of video conferencing technologies, such event was also live-broadcasted to the Greater Bay Area to spread across the patent related information. After the seminar, HKPC has been proactively following up with interested parties on the potential clients for the relevant patents.

(j) Supplementary information on HKPC Academy:

At end 2018, HKPC management began the planning and preparation to transform the entire training business. With a market-centric focus, the transformation also refreshed the marketing strategies and structures, as well as the frameworks of the training courses, as efforts to reflect the actual market needs. The relevant strategy has been implemented in April 2019.

Since April 2019, HKPC has implemented a new training business strategy, and established a new management team for the HKPC Academy. Through regular meetings, communications among business divisions and HKPC Academy have been largely uplifted, with more understanding to the





market's new needs too. Moreover, HKPC has also improved market research, with more emphasis on market-oriented curriculum structure, added more marketing channels, plus improved the system for better records and created greater synergies. All these are done to prepare the organisation of courses that can meet market needs.

Previously, most of the public training courses were organised by the HKPC Academy, with only a small portion being held by divisions due to the niche technological knowhow, of which the programme contents and post-courses follow up were all done by the respective divisions. From April 2019 onwards, all training courses were centrally coordinated by HKPC Academy to ensure the training courses can maximise the synergies. Through the Public Training Administration (PTA) system, divisions would be able to standardise and follow the new workflow, including the strengthened market analysis requirement, recording justifications for courses with small recruitment number, reminder to course organising team the cost-recovery principle, and leveraging these items to approve the course organisations. HKPC Academy has also integrated the process forms for better records management. As for existing workflows, the number of working forms was consolidated from nine to five, with four of them now an electronic form. The head of HKPC Academy will host regular review meetings with the HKPC management to review the performance of the training courses.

Starting from June 2019, a course management team is set up. Through the new management model, the team is hoping to put best efforts in driving the delivery of the training course. The management centralisation and review of the training courses helps HKPC to ensure the training courses being organised can match with the industry needs. The management team will host regular meeting to review and monitor the actual activities of the training business on a quarterly basis and report to the management every week.

The new strategy implemented by HKPC is taking effects. In 2019-20 (as of end December 2019), the revenue of training courses has increased by more than 40% as compared to the same period last year.

Establishment and strength in HKPC Academy are as below:

As of end December 2019	Establishment	Strength
Head	1	1
Consultant /Assistant Consultant	9	7
Project officer / Assistant Project Officer	14	11
Total	24	19

(k) Supplementary information on training courses:

(i) Courses that attained Qualifications Framework (QF):

Name of Qualifications	QF Levels	QF Credits
Information Technology Management	4	27
Professional Certification	4	21
Professional Certificate in Manufacturing		
Process Development and Management for	5	18
Metal Stamping Industry Course		



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(ii) Courses that attained Continuing Professional Development (CPD) or Continuing Education Fund (CEF):

	Authorised Organisers or Co-organisers	Name of Courses	Qualifications
1	The HK Institution of Facilities Engineers	Professional Diploma in Plant Operation and Maintenance Engineering	CPD
2	The HK Institution of Facilities Engineers	Professional Diploma (Advanced Level) in Electrical & Mechanical Facilities Engineering	CPD
3	The HK Institution of Facilities Engineers	Professional Diploma in Facilities, Maintenance and Property Management	CPD
4	The HK Institution of Facilities Engineers	Professional Certificate in Green Facilities Management and Energy Audit	CPD
5	The HK Institution of Facilities Engineers	Professional Certificate in Engineering Law, Contract Management and Claim	CPD
6	Hong Kong Institute of Patent Attorneys Limited	Certificate of IP Laws and Practice	CPD
7	Insurance Authority	Corporate sustainability trends and its application to the insurance industry	CPD (Application in progress)
8	Insurance Authority	Effective insurance selling skills (Five-dimensional risk management)	CPD (Application in progress)
9	Insurance Authority	Sustainable and Responsible Investment: The Rising Star	CPD (Application in progress)
10	Insurance Authority	Effective Team Management	CPD (Application in progress)
11	Insurance Authority	Financial Planning Experience Design (Integration of Behavioural Finance and Investment Psychology)	CPD (Application in progress)
12	Insurance Authority	Practical Application of Behavioral Finance to Financial Planning & Investment Portfolio Building	CPD (Application in progress)
13	The Institute of Purchasing & Supply of Hong Kong	Professional Diploma In Strategic Purchasing And Supply Chain Management	CEF
14	Hong Kong Logistics Association	Professional Diploma in Logistics and Supply Chain Management	CEF





15	Worldwide Association of Business Coaches	Corporate Coach Program - Leading to Registered Corporate Coach Designation of WABC	CEF
16	International Institute of Professional NLP	Business NLP Practitioner Certificate And Business NLP Coach Accreditation Program	CEF

(I) Supplementary information on paragraph 4.9:

(i) In the past, there were quite a number of free training courses for environmental protection technology related areas, leading to fierce competition, and that HKPC did not organise courses of such similar topic. Also, during the past few years, the awareness level of high-end manufacturing technology such as Industry 4.0 was low. Hence, not many courses on such topic were organised. Entering the year 2019-20, there was a higher awareness level of high-end manufacturing knowhow gradually. More participants were recruited for such relevant courses. In 2020-21, HKPC will adjust the target number for courses related to environmental protection technologies, in order to better reflect the market demands. For details, please see item (ii).

(ii) Programme area details – Estimates Vs Actual

Programme areas	2019-20 Estimates (In proportion of April to December)	2019-20 Actual (No. of courses in April to December)	Target Percentage (%)	
Environmental	17	10	58%	
Technology				
Information	48	67	140%	
Technology	2	0.	11070	
Management	26	57	217%	
Systems	20	57	21/70	
Manufacturing	59	66	113%	
Technology	59	00	113%	
Total	150	200		

(m) Supplementary information on training course income:

(i) During 2018-19, the total operating income of HKPC Academy was HKD\$22.5 million; the total operating expense was HKD\$26.5 million; and a loss for the year was HKD\$4 million. The reason for the loss is that the total operating income of HKPC Academy is not sufficient to offset the total operating expense (e.g. labour cost), resulting the loss. HKPC's training income was largely generated from HKPC Academy. However, this KPI had not been met in the past few years.

In general, HKPC Academy's operating income included both public and corporate training programmes, venue and facilities fees. Its operating expenses included HKPC venue rental (on or before March 2019), expenses for certified qualification applications and teaching materials, marketing and promotion costs, training material printing costs, labour costs, bank transaction fees, examination fees (if applicable) etc.





(ii) 2018-19 Details of HKPC Academy Operating Breakdown are as follows:

	HKD (Million)
Total Operating Income	22.5
Project-related Expenses	(5.3)
Labour Cost	(15.4)
Other Expenses	(5.8)
Loss for the year	(4.0)

In regard to the transformation of HKPC's training business, please see item (j) for details. Apart from transforming the training business, HKPC has also increased the level of promotional efforts through social media campaigns and HKPC Academy's new website, organising different events to interact with professional institutions and human resources professionals, as well as participating in relevant exhibitions to showcase training courses. These measures have effectively contributed to the increase in training revenue in 2019-20.

(iii) Details of Public Training Courses Income (in HKD, million)

	2018-19 (April to December)	2019-20 (April to December)	Year-on-Year Comparison
Total	5.12	7.36	+44%

(n) Supplementary information on the number of applicants for public training courses:

- (i) At present, each training course is required to set a minimum number of applicants; in general, the establishment of a minimum number of applicants is based on the principle of cost recovery.
- (ii) HKPC currently adopts a two-tier monitoring mechanism. The business unit will hold regular meeting with HKPC Academy to review the enrolment rate of training courses. At the same time, the management will also hold regular meeting to review the performance of training programs.

(o) Supplementary information in paragraph 4.18:

(i) In the past, most of HKPC's public training courses were delivered by HKPC Academy. However, a small number of courses that involved a large amount of technical expertise, were required to be developed by individual professional divisions such as manufacturing or information technology. Therefore, divisions recruited and ran the courses on its own. They were not able to follow the guidelines to list out the number of estimated participants, but only to follow the cost recovery principle.

Beginning in 2019-20, HKPC management has made the latest revisions to it. All public training courses must be coordinated and ran by HKPC Academy. The course plan must also specify the expected number of participants and the minimum number of participants.

(ii) Among the 38 public training courses mentioned in paragraph 4.18, 36 of them achieved cost recovery; while 2 of them could not recover the full cost (with a deficit of HKD\$ 281 in total). Upcoming, the HKPC will improve project management for training courses and will adjust the contingency budget appropriately when planning for the budget to cater unexpected costs.







Course	No. of pax	Fee (HKD)	Total Income (HKD)	Total Costs (HKD)	Cost Recovery %	Net Gain/Loss
Blockchain Technical Program	3	\$18,000	54,000	54,239	99.6%	-239.00
Workshop 2 - Threat Hunting Workshop	5	\$3,700	16,400	16,442	99.7%	-42.00

(iii) All public training courses need to be recorded in the PTA system while HKPC Academy is responsible to integrate and supervise accordingly. In the system, expected enrolment rate must be mentioned in the course budget.

(p) Supplementary information on HKPC's written reply on 11 December 2019:

(i) Referring to Standard Practices F3 "Project Management", project approval authorities are in accordance with project value as listed in the table below. (For details, please see attachment 1, which is the same as another attachment submitted to PAC on 3 Jan 2020 (Our ref: ED-2019026; attachment Chap 2_e(vii)).

Table of Project Approval Authorities

Project Value*	Approved By	
Above HK\$1,500,000	Executive Director	
Up to HK\$1,500,000	Branch Director	
Up to HK\$500,000	General Manager	

^{*} Project value refers to the estimated income or estimated cost, whichever is the higher.

- (ii) HKPC has started to enhance the workflow of organising course since April 2019 and upgraded its facilities gradually. Despite the launch of electronic approval process, HKPC Academy also integrates and monitors the approval process of all courses via PTA system.
- (iii) According to HKPC Academy's work flow, if a course was rejected, it will not be recorded through the PTA system. Hence, no information of this item can be provided further.
- (iv) The major costs of public training course are tutor fee, course development fee, HKPC venue rental (on or before March 2019), expenses for certified qualification applications and teaching materials, marketing and promotion costs, training material printing costs, labour costs, bank transaction fees, examination fees (if applicable) etc.
- (v) Of the 120 public training programmes, the range of minimum enrolment numbers varied from 3 to 66; and the range of programme fees were HK\$50 to HK\$29,500 per person.
- (vi) Participants who attended the training courses must meet the minimum attendance rate (75%) and complete the assessment requirements specified in each course (if applicable).







Criteria	Certificate	Professional Certificate	Diploma	Professional Diploma
Duration of program (min. no. of contact hours)	12 to 60 hours	12 to 60 hours	60 hours or above	60 hours or above
Minimum Admission Requirements	No minimum admission requirement	Subject to the requirement of professional body or association	Certificate Holder in related areas or equivalent; or 5 grade E in HKCEE or equivalent; or 5 passes at Level 2 in HKCEE or equivalent; or 5 HKDSE subjects at Level 2 or equivalent; or mature student (a)	Diploma Holder in related areas or equivalent; or 5 grade E in HKCEE or equivalent; or 5 passes at Level 2 in HKCEE or equivalent; or 5 HKDSE subjects at Level 2 or equivalent; or mature student (b)
Recognition of Professional body or association	Not Necessary	Accepted by the relevant professional body or association (c)	Not Necessary	Accepted by the relevant professional body or association (c)
Assessment method	Assignment, project, test and/or exam; plus 75% attendance rate (d)	 Assignment, project, test and/or exam; plus 75% attendance rate (d) 	Assignment, project, test and/or exam; plus 75% attendance rate (d)	Assignment, project, test and/or exam; plus 75% attendance rate (d)

(vii) As listed inside the "Guidebook for Organising Public Training Programme", the procedures of engaging external trainers include nomination, evaluation, appointment and assessment.

Whenever there is a need to hire an external trainer for training courses, the relevant trainer should first fill out a registration form to enlist his/her background details, such as education background, working experience or previous training experience etc. The programme team will then evaluate according to the designated criteria on the suitability of the trainer. If the trainer is thought to be suitable, the programme team will recommend to the management to add the trainer to HKPC's "Speakers Pool". Upon getting management's endorsement, the trainer is required to sign a training service agreement with HKPC. Whenever there is a new trainer, the programme team will be sitting in the first class to observe and assess the performance of the trainer, and record all observation. Moreover, the programme team will collect post course feedback forms from the course participants to evaluate the performance and quality of the trainer.

(viii)From November 2019, all new public training course should follow the new workflow to perform market research and competitor analysis, fulfilling designated criteria with adequate justifications, with details as listed in below.

According to the new market research criterial, all public training course should meet at least one of the below six requirements before its launch, to justify its value and importance to the industry:





- 1) Facilitate the advocacy of a government policy or initiative
- 2) In response to the inquiry or requirement of client
- 3) In response to the inquiry or requirement of trade association or professional body
- 4) In accordance to the professional analysis from trainer
- 5) In accordance to market survey or industry consultation
- 6) In accordance to industry trends

Programme team staff are required to indicate completion of competitor analysis to prevent the courses from being organised in competition with other existing training services provider in the market. If similar courses will be held by other training service providers, programme team should add the unique and innovative elements offered by HKPC to the relevant courses to differentiate in the market.

- (ix) On or before the year of 2018-19, divisions of HKPC needed to bear relevant venue cost when they occupied HKPC venue for work purpose. For the questioned case, the project team needed to compare the pricing when formulating the "Food Safety and Hygiene Manager Training Course". Finally, the Ngau Chi Wan Civic Centre was being chose.
- (x) HKPC has been proactively promoting the use of digital manufacturing among the industry sector, encouraging the industry to gradually achieve Industry 4.0. It is HKPC's mission to organise courses of specific technology and knowhow to nurture technological talents in the regime. One of the courses was a 2-day training course to Wu Xi (Programme no. 37), with visits to local factories for examining the technology of automated artificial intelligence applications. The programme included lecture, factory tour, interactive discussion with local experts, and introduction of local specialised technical applications. The total income of the project was around HKD \$35,000, which covered relevant expenses for 5 participants and HKPC staff, and achieved full cost recovery. The details of the programme proposal and promotion pamphlet can be seen in attachment File 2.

(q) Supplementary information on follow-ups of improvement of market assessments:

Since 11 November 2019, HKPC Academy has already updated the workflow process for organising public training courses. All courses are required to complete market analysis, and are required to record all important correspondence in a proper manner, including government policies, client inquiries, post event or industry association feedbacks.

Moreover, HKPC is dedicated to uplift the communications among industry practitioners. Through regular exchanges and meetings with local quangos, industry associations, or with training representatives from corporations, HKPC will be able to collect more feedback from the industry and understand market needs better. Some of the enhanced promotions are as below:

Between June and November	Organised promotional events: three "Industry Connect"; two		
2019	Training Series Promotion and one HR Experience Day		
From November 2019 onwards	Invited major industry associations to promote the		
	"Reindustrialisation and Technology Training Programme"		
26-27 November 2019	Participated in the HKIHRM Annual Conference and Exhibition 2019		







(r) Supplementary information on updated guideline:

The most updated "Guidebook for Organising Public Training Programme" will be available in March 2020. A copy will be submitted to PAC by then.

(s) Supplementary information on training venues:

- (i) On or before March 2019, the cost calculation of training projects included venue cost at HKPC. For example, the total project cost of a diploma course in creation and culture picture book held from April 2018 to March 2019 (50 sessions in total) was approximately HKD \$390,000, in which the venue cost at HKPC of about \$100,000 was included.
 - After reviewing the above arrangement, venue cost was considered as "Notional Cost". Hence, starting from 1 April 2019, to streamline the administrative management, the venue cost at HKPC was no longer included in the cost of training course.
- (ii) Generally speaking, venue rental pricing is set by referencing to similar venues while it would be reviewed from time to time when needed. The most recent review of this item by HKPC was in August 2018, concluding that the current pricing mechanism reasonable. A copy of the venue rental cost is attached as File 3.

Please feel free to contact me if you have any question about the information provided.

Yours sincerely,

Dr Lawrence Cheung Executive Director (Acting) Hong Kong Productivity Council

c.c. Secretary for Innovation and Technology Commissioner for Innovation and Technology Secretary for Financial Services and the Treasury Director of Audit (Attention: Mr Anthony Lo, Senior Auditor)



Hong Kong Productivity Council

M₁

24 October 2018

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- 1. The training project titled "Training on Intelligent Automation in Wuxi" is TA-type project to be held in PRC from 30-31 October 2018
- 2. The training is to be conducted by HKPC consultant in R and the target participants are people who are from manufacturing industry in Wuxi.
- 3. The training fee is HK\$7,000, the estimated income is HK\$35,000 based on 5 participants with the below cost breakdown:

Income	HK\$
Training Fee x 5 participants	35,000
Expenditures	
Staff Cost	33,400
Speaker expenses (travelling and per diem)	1,000
Contingency	500
Total Expenditures	34,900

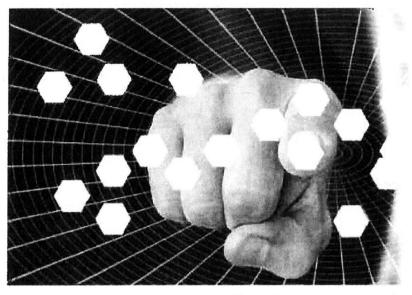
- 4. The project is 100% recovery at C00 rate
- 5. Grateful for your approval.

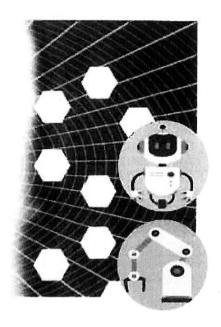
H H T O R Encl.

- Cost Summary
- Course Pamphlet

美国科技

MANUFACTURING TECHNOLOGY





2018.10.30~31

2-Day Training in WuXi, China: Intelligent Automation



The immerse of new technologies, professionals proof that traditional business model no longer suit you. Every business leader knows that in order to stay relevant and profitable in their particular industry, it is important for their companies to adapt to changing practices, technologies and business models. Intelligent Automation can help your business growth with cutting-edge technologies by getting ahead of your competitors; solve problems of all magnitudes at cost effective and a short period of time.

Hong Kong Productivity council organizes a two-days training course, aims to introduce the application of intelligent automation in industrial environment. This training course helps candidates understand the potential application and benefit of intelligent automation.

新技術的浸入,專業人主證明傳統的商業模式不再適合您。業務負責人都明白,為了保持其在行業中的價值和盈利性,公司必須適應不斷變化的運作,技術和業務模式。智能自動化利用尖端技術幫助您的業務增長,在眾多的競爭對手中領先;並以經濟有效和短時間內解決各種問題。

香港生產力促進局舉辦為期兩天的培訓課程,旨在介紹智能自動化在工業界的應用。 該培訓課程幫助學員 了解智能自動化的潛在應用和優勢。



課程簡介

日期

2018.10.10 ~11

Date 時間

14:00 - 17:00 (第一天 Day 1)

Time

09:00 - 17:00 (第二天 Day 2)

地點

Wuxi

Venue 語言

: 普通話

Language

Mandarin

HK\$7,000

費用

* 只含培訓費用,收費並不包括交通、住宿或膳食安排

Admission Fee

Includes training fee only, no travel, accommodation and meals are included

截止報名日期

Application Deadline

2018.10.28

培訓内容

AD BUILDE	4		
D	ate 日期	Time 時間	Training Programme 培制内容
Day 1	30~10~2018	下午	智能自動化簡介 Introduction to Intelligent Automation
	uuruud maana deen saala oo	Afternoon	應用例子和個案分享 Case Study and Sharing
Day 2	31~10~2018	上午	現場廠房考察 Factory Visit and Assessment
		Morning	
		下午	培訓總結和討論 Summary and Discussion
		Afternoon	發展藍圖分享 Roadmap discussion and sharing

備註 Remarks

參加者必須自行安排交通、住宿、膳食及所需的保險。

Travel, accommodation, meals and insurance have to be arranged by participants himself/herself.

參加者需要遵守培訓場地的規則,未經誰許可,不得進行任何拍攝。

Participants have to comply with the regulation of the training venue. Photo or video taking is prohibited.

請填妥報名表格·連同公司名片電郵至

@hkpc.org 或傳真+852 31874579 登記留位。



Enrolment Form 報名表

Academic	Experience	Others
Checked By:	Date	

讀以正檔填寫此表格 Please complete this form in BLOCK LETTERS

課程變號 Programme Code:	類程名稱 Programme T	Itle:	學费 Programme Fee:
10007691	兩天培訓課程 (中國	!無錫) :智能自動化	□ 培訓費 HK\$7000
甲部 (Part A) 申請者資料	Applicant Information	on:	
中文姓名 (先生/小姐/太太/女			
Chinese Name (Mr./Miss/Mrs./ 英文姓名: Name in English:	Ms*): (必須與香港身份證/ Last Name	護照相同 Must be the same as shown A First Name	on ID card/Passport)
公司名稱:		1 1 1 1 1 1	
Company Name: 職价:			
Position:			
辦事處電話: Office Telephone:		手提電話: Mobile Number	:
旅遊證件類型:		證件號碼:	
Travel Document Type: 奮郵地址:		Travel Documer	t Number:
E-mail Address :			
通訊地址: Correspondence Address:	Room/Flat 樓 Floor	座,大廈 Block, Building	
星苑,街道 Estate, Street/Road	1 1 1 1	E //ig block, bullding	地區 District
乙部(Part B) 繳費方法 Me	ethod of Payment:		
請選擇一項 Please selec			*請刪去不適用者/Please delete whichever is inappropriate
□ 課程費用由僱主贊助?	Is the programme fee spon	sored by your employer?	是 YES □ 否 NO
			辦理 Must be made in person at enrolment counter
		公司 Company / 私人 Private	*) • Id made payable to the "Hong Kong Productivity Council.")
[人工代明] 图1次代 1日14八八本			HKPC to handle money transfer. For details, please contact our staff
have <u>read and accepted</u> all the ter 本人反對香港生產力促進 卡資料 (如適用)、學術及 及其他由生產力局的推廣 fax number, job title, me correspondence address a	ms and conditions of this er 局使用本人的個人資料, 專業資格、通訊地址及電 活動的用途。I object to th mber status, payment det nd email address ("Persona	nolment form. 包括但不限於姓名、年齡、郵地址 ("個人資料") 於推介 ne proposed use of my persona ails including credit card info Il Data") for the purpose of se	nents are, to the best of my knowledge, true, accurate and complete. 生別、電話號碼、傳真號碼、職位、會員身份、繳費資料包括信用本局最新發展、工業支援服務、顧問服務、培訓課程及相關的活動。I data including, without limitation, name, age, gender, phone number mation (where applicable), academic and professional qualification adding me information relating to HKPC's latest developments, industripments, activities as may be organized by HKPC.
申請者簽名 Applicant's Signatur	e:		日期 Date:
内部(Part C) 問卷調查 Su	rvey		nis programme? (May choose more than one option)
□ 香港生產力大樓 HKPC Bui		報紙 Newspaper	# 推廣電郵 Promotion e-mail
□ 香港生產力尺後 TRFC Bull		□ 蘋果日報 Apple Daily	□ 公司推介 Company Referrals
□ 互聯網 Internet		東方日報 Oriental Dail 經濟日報 HK Economy	(min The France of the Control of th
□ 生產力專訊 HKPC News FI	ash	□ 星島日報 Sing Tao Dai	
□ 雜誌 Magazine		□ 明報 Ming Pao □ 都市日報 Metro Hong	Others 其他:
□ e-zone □ 電腦廣場 PC Marke	ŧ	回 頭條日報 Headline	cong
日 Recruit		☐ AM730	
□ 招職 Jiu Jik □ Others 其他:		專業學會刊物 Journals/Publi Professional Institutes:	rations of
	建的容部(可聚多於一項)		rmation you would like to get from HKPC the most
Language			The second section is a second
自動化服務 Automation S			生產力局最新資訊 Latest News of HKPC
□ 品牌管理 Brand Manager			製造流程管理 Manufacturing Process Management
□ 企業流程管理 Business P			產品設計與開發 Product Design and Development
□ 顧客服務提升 Customer			講座及活動 Seminar and Activities
□ 環境管理 Environmental I	Management		軟件測試 Software Testing
□ 資訊及通訊科技 Informat	ion and Communications Te	chnology	檢測及認證服務 Testing and Certification Services
□ 知識產權及專利 IP and P	atent		培訓及人力資源發展 Training and HR Development

Your partner in human capital development

Enrolment Form

報名表

受僱公司規模及業務性質 Size and Nature of Organization:

公司 僱員總人數 Total numbe 口 Under 50 (50以下)	r of employees ☐ 50 - 99	□ 100 – 199	□ 200 - 499	□ 500 and over (500及以上)
公司主要業務性質 (可選多於 一 行政及支援服務 (例如 Administrative and Supp Public Relations, Proper 「汽車零部件 Automotiv 航空 Aviation 量達 Construction 創意産業 Creative Indu 教育及培訓 Education 電器 Electrical Applianc 電子 Electronics 環保服務 Environment 政府/非年利組織/商會 餐飲及款待 Hospitality 進出口貿易 Import and	1:廣告、夜覽、公共原 nort Services (e.g. Advert ty Management, etc.) e Component sistry and Training ses al Services Government/NGOs/Tra r, Food and Beverage	關係、物業管理等) Lising, Exhibitions,	資訊科技及電訊 Inform 機械、五金及模具 Ma 化學原料、原材料製造 媒體、印刷及出版 Me 醫療及保健路析 Media 光學產品 Optical Produ 塑膠 Plastics 專業服務(例如:會計 Accounting, architecture 零售 Retail 紡織及服裝 Textile and 玩具 Toys 運輸及物流 Transporta	mation Technology and Telecommunications chinery, Metals and Tooling i Manufacture of Chemicals and Raw Materials dia, Printing and Publishing cal Device and Healthcare ucts - 、建築、法律等)Professional Services (e.g., legal, etc.) Apparel tion and Logistics

報名程序

請填妥報名表、連同相關課程需要的文件及費用,親身或以郵遞方式遞 交。

郵寄地址: 九龍達之路 78 號生產力大樓香港生產力促進局生產力 5 楼 RAU Hilary (請於信封面註明報讀課程名稱及編號。)

條款及細則:

- 1. 學費必須連同報名表(可用影印本)於開課前一併繳交,否則報名無效。
- 5. 所收集的個人資料將會作人學申請、登記、學術、行政、研究、統計及市場分析及用於推介本局最新發展、工業支援服務、顧問服務、活動和培訓課程的用途。個人資料會嚴格保密處理。除非獲得閣下的同意,本局不會將個人資料轉移子第三者。本局已制定收集、使用及保留個人資料的政策,於報名處供索閱,閣下亦可向本局個人資料管理主任查詢。
- 3. 間下可以信用卡、易辦事或支票繳交學費。學費收據以本局機印方為有效、收據上會列明已繳交的金額。如申請人以支票繳費,所繳交款項須經過銀行結算後方可作實。
- 除非本局於以下期限前收到申請者書面通知退學,否則已繳學費(不論 全費或部份)概不退還:
 - 由本地講師教授的課程·最少於開課前五個工作天通知
 - 由外地講師教授的課程, 最少於開課前十五個工作天通知 閣下申請退還學費需繳交手續費<u>二百元正</u>。如申請者以信用卡繳 交學費,則需額外支付學費約4%作銀行手續費用。
- 閣下可提名他人代替其本人出席課程,惟事先須得本局同意。閣下不可 轉換其他課程。
- 生產力局保留在任何情况下及以任何原因拒絕任何人學申請的權利。閣 下繳付學費後,仍須符合人學的所有條件,其申請方可獲得接納。
- 生產力局保留在有需要的情況下更改講師及/或課程內容、授課地點、 日期及/或賠間的權利。
- 8. 颱風及黑兩警告:如課堂時間是在早上(09:00-13:00)、下午(14:00-17:00) 或晚間(18:30-22:00),將在下列情況下取消:(一)八號或以上颱風訊號或 黑色暴兩警告訊號在早上 6:00、11:00 或下午 4:00 仍然懸掛;或(二)香 港天文台在早上 6:00、11:00 或下午 4:00 或之後,宣佈將懸掛八號或以 上颱風訊號或黑色暴兩警告訊號。本局將盡早通知閣下補課的日期及時間。
- 9. 本局保留更改以上"條款及細則"的權利。以上"條款及細則"內容均 以本院課程單張及網頁公佈之最後更新版本為依歸。

ENROLMENT PROCEDURE

Please complete and send this enrolment form with requisite documents and fee to the Institute in person or by mail.

Mailing Address: Hilary, RAU, 5/F, Hong Kong Productivity Council, HKPC Building, 78 ** Chee Avenue, Kowloon. (Please mark the programme title and programme code on envelope.)

Terms and Conditions:

Programme fee must be submitted together with this form (or photocopy of this form) before programme commencement, otherwise enrolment will be rejected.

Personal Data collected will be used for processing your application for admission, registration, academic, administrative, research and statistical purposes and will also be used for marketing purposes, specifically for the purpose of sending you information relating to HKPC's latest developments, industry support services, consultancy services, events and training programmes. Personal Data will be treated in strict confidence, Unless otherwise agreed by you, HKPC will not transfer Personal Data to any third parties. HKPC implements a policy governing the collection, use and retention of Personal Data, which is made available at the enrolment counter. You may also contact Personal Data Controlling Officer of HKPC for further details.

You may make payment by credit cards, EPS or cheques. Amount received will be imprinted on the official receipt. Only receipt printed with receipt printers at HKPC is valid. Receipt of cheque payment is subject to bank clearance.

Enrolment fee (in full or in part) is <u>not refundable</u> except if HKPC is notified in writing of your withdrawal:

- at least 5 working days before the programme commencement for training program run by local speaker
- at least 15 working days before the programme commencement for training program run by overseas speaker

A handling charge of <u>HK\$200</u> will be levied. For payment made by credit card, an additional <u>bank charge of around 4%</u> of the enrolment fee will be imposed.

- You may, subject to the prior approval of HKPC, nominate a person to attend the programme on your behalf. Programme switching request will not be accepted.
- HKPC reserves the right to reject any application in any circumstances and for whatever reasons. Payment of fees should only be construed as conditional acceptance of application. To be accepted for any application, you are required to fulfill the admission requirements.

HKPC reserves the right to replace the speaker and/ or change the contents, venue and/or time as may be necessary.

- Classes in the morning (09:00-13:00), afternoon (14:00-17:00) or evening (18:30-22:00) will be cancelled if:
 - (1) Tropical Cyclone Signal No.8 or above OR Black Rainstorm Warning remains hoisted after 6:00 a.m., 11:00 a.m. and 4:00 p.m. respectively; **OR**
 - (2) Tropical Cyclone Signal No.8 or above OR Black Rainstorm Warning is announced by the Hong Kong Observatory to be hoisted at/after 6:00 a.m., 11:00 a.m. and 4:00 p.m. respectively.

You will be notified of the re-scheduling arrangement as soon as possible.

These terms and conditions are subject to revisions as may be set out in the programme pamphlets and the latest updates in the institute's website,





hkp) C 産力局	НКРО	C Venues & Facilit	ies Ra	te Card	Special of 30%	offer to SME
Venue	Capacity	Approx. Area Sq. ft.	Hourly Rate (HK\$) (Office Hours / Non-Office Hours)	Location	TV Wall	Wireless Microphone(s)	Layout
Conference Hall	300	5048	\$3500 / \$4100	4/F	84:9 aspect ratio	4	Chairs
Venue	Capacity	Approx. Area Sq. ft.	Hourly Rate (HK\$) (Office Hours / Non-Office Hours)	Location	LCD Projector(s)	Wireless Microphone(s)	Layout
Inno Network	120	2880	\$2520 / \$3000	1/F	2 (with 2 TVs)	2	Tables & Chairs
Theatre 2	100	2155	\$2205 / \$2625	1/F	TV Wall	2	Chairs
SME One – Foyer	100	1287	\$1330	G/F	1	2	Chairs
Theatre 1	100	1382	\$1660 / \$1990	1/F	TV Wall	2	Sofa Benche
SME One – Multi-function Room A + B	60	1066	\$900	G/F	2	2	Classroom
Digital Gallery	60	797	\$2950 / \$3300	LG1	TV Wall	2	Chairs
Living Gallery	60	3361	\$2950 / \$3300	LG1	1	2	Chairs
The Terrace	30	2335	\$1980 / \$2380	4/F	1	2	Chairs

Venue	Capacity	Approx. Area Sq. ft.	Hourly Rate (HK\$) (Office Hours / Non-Office Hours)	Location	LCD Projector(s)	Wireless Microphone(s)	Layout
Classroom 126	42	926	\$720 / \$860	1/F	1	1	Classroom
Classroom 106	30	624	\$590 / \$705	1/F	1	1	Classroom
Classroom 107	30	896	\$915 / \$1100	1/F	1	1	Classroom
Classroom 121	30	738	\$590 / \$705	1/F	1	1	Classroom
Classroom 122	30	621	\$590 / \$705	1/F	1	1	Classroom
Computer Room 112	30	720	\$870 / \$1040	1/F	1	1	Computer Classroom
Computer Room 125	30	717	\$870 / \$1040	1/F	1	1	Computer Classroom
Executive Room - 119*	28	907	\$880 / \$1050	1/F	86" Display Panel	1	Tables and Chairs
Executive Room - 120*	20	641	\$720 / \$860	1/F	86" Display Panel	1	Chairs
Classroom 102	20	410	\$530 / \$665	1/F	1	1	Classroom
Classroom 123	20	414	\$530 / \$665	1/F	1	1	Classroom
Classroom 101	19	389	\$530 / \$665	1/F	1	1	Classroom
Classroom 103	19	402	\$530 / \$665	1/F	1	1	Classroom
Curation	12	320	\$550 / \$690	1/F	TV	N/A	Meeting

Enquiry Hotlines: 2788 5027 / 2788 5923 / 2788 6266

HKPC Building, 78 Tat Chee Avenue, Kowloon Tong, Kowloon

Email: venue@hkpc.org

- 1. The rate listed is on hourly basis and there is a minimum charge of 3 hours for Conference Hall, Theatre 2, Inno Network, SME One, Living and Digital.
- 2. For NGO rate, please contact us for detailed information.
- 3. The rate includes the use of equipment inside the venue. 4. Office hours: Monday to Friday (9:00 am - 6:00 pm).
- 5. Non-office hours: Monday to Friday (6:00 pm 10:00pm), Saturday (9:00 am 5:00 pm).
- 6. Setup and removal time: 20 minutes before and after the booking.
- For SME affer, application and usage dates are valid on or before 31 March 2020.
 Inclusive of event concierge, refreshment corner, movable 86" interactive display panel.
 Effective on 20200115

