

For discussion on 2 March 2000

**Legislative Council Panel on Manpower**

**Role of Vocational Training Council in the  
Education System of Hong Kong and its system of  
Technical Education and vocational Training**

**Purpose**

This paper seeks to provide Members with an overview of the role of the Vocational Training Council (VTC) in the education system of Hong Kong, its system of technical education and vocational training, and the range of VTC courses available to S.3 and S.5 school leavers.

**Role of the VTC**

2. The VTC was established in 1982 as a statutory body under the Vocational Training Council Ordinance. Under section 5 of the Ordinance, the VTC is tasked to advise the Government on the measures necessary to ensure a comprehensive system of technical education and industrial training and to operate training schemes for operatives, craftsmen, technicians and technologists suited to the development needs of Hong Kong. It is also responsible for promoting the training of apprentices and providing skills training to persons with a disability over the age of 15 for the purpose of preparing them for open employment. Thus, in terms of the level of training, VTC provides training at the operative, craftsman, technician (through both full-time and part-time courses) as well as the technologist (through part-time courses) levels. In terms of the entry levels of its trainees, nearly all of VTC's training courses are pitched at post-S.3 and post-S.5 levels. Within this range, the VTC's main objective is to provide high quality, cost-effective vocational education and training which matches the requirements of Hong Kong's employers and the community. There is no plan to change VTC's role in the education system of Hong Kong.

### **VTC's education and training programmes**

3. In general terms, technical education seeks to impart theoretically-based knowledge and tends to be structured around courses leading to the attainment of certificates and diplomas. On the other hand, industrial training seeks to impart skills-based knowledge. These skills are oriented not so much around academic disciplines as the skills required in the labour market.

4. When it was first established, the VTC was responsible for operating the then technical institutes and training centres for provision of technical education and industrial training. In order to allow expansion of the provision of degree places in the polytechnics, the Government proposed and the VTC agreed that a substantial amount of sub-degree level courses should be transferred from the then two polytechnics to the VTC starting from 1993/94. A new technical college and a new training centre were built, existing facilities upgraded and additional recurrent resources granted to the VTC to provide these additional sub-degree places.

5. The VTC organises its technical education and vocational training programmes under separate umbrellas. Technical education courses are provided by its vocational education institutions, collectively known as the Hong Kong Institute of Vocational Education (IVE). Training courses are provided by VTC's various training and development centres.

#### *Technical Education*

6. IVE's courses are offered in nine major disciplines, namely applied science; business and commerce; child care; computing and IT; design, printing, textiles and clothing; electrical and electronic engineering; hotel, catering and tourism; construction; mechanical manufacturing and industrial engineering. The range of mainstream qualifications and courses offered by IVE are summarised below -

Course	Mode	Duration	Entry
Higher Diploma	Full-time	3 years	5 HKCEEs
Diploma	Full-time	2 years	5 HKCEEs
Foundation Diploma	Full-time	1 year	3 HKCEEs
Vocational Certificate	Full-time	1 year	Post-S.3
Basic Craft Certificate	Full-time	1 year	Post-S.3
Certificate in Vocational Studies	Full-time	2 years	Post-S.3
Higher Diploma	Part-time	2 years	Diploma
Higher Certificate	Part-time	2 years	Certificate
Certificate	Part-time	2 years	5 HKCEEs
Foundation Certificate	Part-time	2 years	Post-S.5
Vocational Certificate	Part-time	2 years	Post-S.3
Certificate in Vocational Studies	Part-time	3 years	Post-S.3

### *Vocational Training*

7. The VTC's range of training courses and activities covers the full range of commercial and industrial sectors from the automobile industry to the export trades, and from financial services to information technology training. The training courses and programmes can be divided into two parts, namely, pre-employment and in-service training. The former caters for school-leavers, mostly with entry at S.3 level. Courses range in duration from six months to a year. The latter are mainly upgrading, updating or retraining programmes at any level for those in employment, and can be anything from one day to six months in duration.

### *General statistics*

8. The VTC provides close to 120 000 training places annually at various levels. The breakdown of student numbers in 1999/2000 by teaching modes is as follows -

*Technical education places*

Full-time students 18 788 (Foundation Diploma, Diploma and Higher Diploma courses)

Part-time students 41 997 (Certificate and Higher Certificate courses)

*Training places at the various training and development centres*

Full-time 27 206 (courses range from 1 day to 1 year)

Part-time 29 827

Skills centres 833

The following table shows the numbers and proportion of VTC's first year places for S.3 and S.5 school leavers –

## 1999/2000 Year 1 Intake

Mode	Post-S.3 places	Post S.5 places
Full-time	3 860 (26%)	11 057 (74%)
Part-time Day Release	2 689 (72%)	1 029 (28%)
Part-time Evening	2 047 (24%)	6 213 (76%)
Total	8 596 (32%)	18 299 (68%)

9. The following table shows the placement statistics of VTC's graduates in the past four years –

Year of Graduation	Employed (%)	Pursuing full-time study (%)
<u>Higher Diploma Graduates</u>		
1996	79	17
1997	84	12
1998	73	14
1999	75	17
<u>Diploma Graduates</u>		
1996	65	27
1997	66	26
1998	54	24
1999	58	26
<u>Craft level graduates</u>		
1996	46	42
1997	49	38
1998	40	43
1999	43	35

*Proportion of S.3 and S.5 school leavers taking VTC courses*

10. We estimate that for the 1997/98 school year, there were 81 413 and 77 427 students who completed S.3 and S.5 education respectively in the summer of 1998. Of the 81 413 S.3 school leavers, we estimate that 73 135 (89.8%) had proceeded to S.4 classes, 1 397 (1.7%) had repeated S.3 classes, 2 033 (2.5%) and 1 545 (1.9%) had enrolled in VTC's and other vocational training courses, 405 (0.5%) had pursued overseas and other full-time training courses, and 2 898 (3.6%) had discontinued full-time study. Of the 77 427 S.5 graduates, 27 707 (35.8%) had proceeded to S.6 classes, 10 800 (13.9%) had repeated S.5 classes, 8 555 (11.0%) and 1 930 (2.5%) had enrolled in VTC's and other sub-degree courses offered by tertiary institutions funded by the University Grants Committee, 9 005 (11.6%) had pursued overseas and other courses, and 19 430 (25.1%) had discontinued full-time study.<sup>1</sup>

<sup>1</sup> The estimates are based on the enrolment and post-school career surveys conducted by the Education Department. The statistics vary from year to year and should not be regarded as

### **Responding to changing needs**

11. To meet its mission of providing education and training that is directly applicable to the requirements of the economy, VTC uses a number of means to identify the needs of the employment market. Examples include the conduct of general surveys, manpower surveys, setting up of advisory groups, training boards, and employer representatives on the VTC Council and its committees. The VTC also conducts annual graduate employment surveys. Also, occasional external reviews had been conducted in the past on the work of the VTC.

#### *The organisational and strategic review conducted in 1996*

12. As Hong Kong's largest provider of vocational education and training, it is important that the programmes offered by the VTC are responsive to the changing demands of the local economy and that they should appeal to the aspirations of young people and their parents. Against this background, the Government commissioned in March 1996 a strategic and organisational review of the VTC. Besides reviewing the systems and procedures by which the VTC manages its activities, the review also sought to examine whether VTC's activities met Hong Kong's needs for a comprehensive system of technical education and industrial training in the light of the restructuring of the economy.

13. The review, undertaken by a management consultant firm, was completed in August 1996. The report was highly critical of the VTC and concluded that it was less than responsive and flexible. The consultants concluded that given the rapid economic changes in Hong Kong and market pressures and demands of employers for skills at various levels, VTC needed to adapt. More emphasis should be placed on generic skills such as information technology, communication and language proficiency which are important to the service sector. The consultant also observed that there was a relative over-

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precise. Also, they only cover formal courses and do not include part-time continuing education programmes offered by local and non-local institutions.

provision of courses relating to manufacturing and manual jobs, and a corresponding under-provision of courses relating to the service sector and office-based jobs.<sup>2</sup>

*Director of Audit's Report No. 27*

14. The Director of Audit's Report No. 27, released in October 1996, observed that the economic reform in China would accelerate the employment shift from the manufacturing sector to the services sector. The shifting of employment opportunities had had, and would continue to have, a significant impact on the VTC's operations, in particular its provision of industrial training. Against this background, the Audit Report recommended that the VTC should closely monitor the reduction of Craft Foundation Course intake for the mechanical engineering trade, in order to ensure that the savings were realised as scheduled; and that the VTC should continue to closely monitor the situation in order to identify any potential for further savings, having regard to the declining need for craftsmen in the mechanical engineering trades.<sup>3</sup>

*Updated progress in implementing the agreed recommendations*

15. In the past three years, the VTC has made considerable progress in implementing the consultant's recommendations. A summary is outlined below -

- (a) The VTC has become more responsive to the changing needs of the local economy. For instance, it has introduced two new courses in the 1999/2000 academic year, namely the Certificate in Vocational Studies and the Foundation Diploma, for S.3 and S.5 school leavers. These two new courses seek to strike a balance between vocational

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<sup>2</sup> An information note on the findings of the review was issued to the Legislative Council in September 1996. The Manpower Panel was briefed on the results of the consultation exercise on the consultant report and the Administration's initial assessment of the various recommendations in December 1996 and June 1997 respectively.

<sup>3</sup> Page 622 of Director of Audit's Report No. 27.

techniques and generic skills and place special emphases on language, numeracy and IT application. They represent a new initiative of the VTC in providing young school leavers who have relatively underachieved in their academic studies with an alternative route for further education.

- (b) The VTC has reviewed and revamped its system of Training Boards and General Committees. Since January 1998, the previous 20 training boards and 8 general committees have been replaced by a new network of 18 training boards and 5 general committees. The new network covers all the economic sectors and training areas previously covered as well as two additional sectors of real estate and security services.
- (c) The VTC established a Training Committee in 1998 to oversee training policies and to co-ordinate the work of the 23 training boards and general committees. Six of the Chairmen of the VTC Training Boards have been appointed as members of the VTC Council from July 1998, thus increasing participation in the Council by end-users of VTC graduates.
- (d) The VTC has introduced more elements of IT application into its courses at all levels. It also plans to enhance its IT infrastructure and services with a \$176 million strategy.
- (e) To implement the concept of total quality management within the VTC, it is organising a system of quality audit tests, reviews and reports on the mechanism and structures which are in place in the organisation.
- (f) A Teaching and Learning Centre has been established to promote the use of effective and innovative teaching approaches so as to enable the VTC to achieve and maintain high quality courses and teaching. A Staff Development Office was also set up to develop development programmes for VTC staff. The budget for staff development has quadrupled over the past two years. Staff are sent for attachment in the industrial/commercial sector to update their experience.



- (g) A Continuing Professional Development Centre has been established to offer full-fee courses to professionals in both the service and technological sectors.
- (h) In line with the shift from manufacturing to the services sector of the economy, the VTC has set up two new functional training centres, one focused on IT, the other on financial services.
- (i) The VTC has critically reviewed the number of Craft Foundation Course places in the mechanical engineering trades. As a result, the number of training places has been reduced from 1 260 in 1997/98 to 450 in 1999/2000.

16. The VTC has also revamped its system of provision of vocational education courses. Under the new structure, all courses are modularised and unified, with a common first year curriculum for most Higher Diploma and Diploma level courses. This will provide a flatter academic and training management structure which will allow flexibility and cohesiveness in course provision, and facilitate the introduction of quality enhancement and control. Under the new structure, the VTC should be able to utilise resources in a more cost-effective manner.

### **Course emphases: generic versus trade specific skills**

17. Originally, the VTC used to offer only trade specific courses for S.3 school leavers. However, VTC's feedback from the employers have made it clear that there is a diminishing demand for such courses, and an increased demand for courses covering a broader range of applicable generic skills. With the shift of Hong Kong's economy towards more service-based industries and the requirements of a 'knowledge-based' society, the employers have increasingly requested that vocational courses should have more applicable generic skills contents. In particular, language, IT and numeracy have been stressed by several manpower-related consultancies and training boards as important skills to enhance

trainees' employability. The VTC is responding to this requirement, by designing and modifying its courses appropriately to contain such elements.

*Post-S.3 courses*

18. At the most junior level, the VTC offers trade-specific Basic Craft Course (BCC) and basic pre-employment training on hotel, catering, welding and seamanship for people with a minimum of S.3 education. In addition, to meet the employers requirements, the VTC offers a Certificate in Vocational Studies (CVS) course for S.3 school leavers. This course has some trade specific elements and is divided into two separate streams, one for the services sector and one for the engineering sector. On the whole, the CVS is more generic than the BCC, with about 60% of the course based on a common curriculum to equip students with language, IT and numeracy skills. It should be stressed that these generic elements in the CVS courses are vocational in nature, intent on developing employable skills. The course structure and curriculum of the CVS course is at Annex A.

19. In terms of the number of training places at the post-S.3 level, the number of BCC places in 1999/2000 has been reduced by some 1 500, which is partly compensated by the introduction of the new CVS course with 800 places. Taking into account the needs of the employment market and the placement of its past graduates, the VTC proposes to provide additional training places for S.3 school leavers in the following areas in the coming 2000/01 academic year -

- (a) Commencing in end 2000, professional training in Chinese cuisine will be provided by the new Chinese Cuisine Training Institute. The training capacity for new entrants to the industry will be 30 in 2000/01 and will increase to 105 by 2003/04.
- (b) An additional intake of 300 trainees for the basic pre-employment training for the food, catering and hospitality industries.

- (c) An additional annual intake of 338 trainees at the craft level in the electrical and mechanical, building services and lift maintenance fields.

The VTC will also review the demand for the new CVS course to see if there is a need to expand the training capacity for 2000/01.

#### *Post-S.5 courses*

20. The VTC observes that the large number of S.5 graduates with insufficient HKCEE passes (three to five, often without English or mathematics) could not compete for further education opportunities and many also do not possess sufficiently employable skills.<sup>4</sup> After consultation with employers, the VTC introduced a one-year Foundation Diploma in September 1999 with 2 000 places for S.5 school leavers with a minimum of 3 HKCEE passes. The primary objective of the course is to enhance the graduates' employability through the upgrading of their generic skills, especially language and IT skills, and helping them to develop positive attitudes. All these are essential in the world of work and are the attributes required by employers (particularly those in the service industries). The course structure of the Foundation Diploma course is at Annex B.

#### **VTC's annual financial provision**

21. The Government's annual recurrent subvention to the VTC amounts to some \$2 billion. A breakdown of the 1999-2000 provision of \$2,115.7 million is as follows -

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<sup>4</sup> In the 1999 HKCEE, there were 10 587 full-time day school candidates who achieved grade E in 3 or 4 subjects.

	1999-2000 Financial Year Government Estimates	
	\$M	%
<b>Breakdown by Activities</b>		
(i) Vocational Education	1,552.5	73%
(ii) Vocational Training and Apprenticeship	563.2	27%
 <b><u>Breakdown by Nature</u></b>		
(i) Full-time staff expenses	1,889.8	75%
(ii) Part-time, temporary and other staff expenses	200.8	8%
(iii) Other operating expenses	418.7	17%
(iv) Income	(393.6)	
	2,115.7	

**Advice sought**

22. Members are invited to note the content of this paper.

Education and Manpower Bureau / Vocational Training Council  
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