

## **LegCo Panel on Education**

### **Fee increase for part-time evening courses offered by the Hong Kong Institute of Vocational Education in 2004-05 Academic Year**

#### **Purpose**

This Paper explains the fee policy in respect of the part-time evening (PTE) courses offered by the Hong Kong Institute of Vocational Education (IVE) of the Vocational Training Council (VTC) and the fee increases in the 2004-05 academic year.

#### **The Fee Policy**

2. Prior to 2003-04, the VTC's fee policy was that the fees of its IVE PTE courses were pegged at rates of not less than 50% cost-recovery. This policy was reviewed and modified under the VTC's 8-year Strategic Plan 2003-04 to 2010-11. Having regard to the market demand for the PTE programmes from the working adults, the improvements to the mode of delivery and the teaching and learning environment in the IVE, and the efforts to improve cost efficiency, the VTC mapped out the strategy to increase by phases the fees of the PTE courses above craft level so that they may attain full cost recovery by the academic year 2006-07. This will help reduce the VTC's heavy reliance on Government subvention. In arriving at this strategy, the Council has taken into due consideration the students' affordability and the provision of financial assistance to those in need.

3. The direction of the VTC 8-year Strategic Plan was subsequently endorsed by the Education and Manpower Bureau (EMB) and the VTC started to implement the main strategies contained therein, including the fee increases for its IVE PTE courses.

#### **The Fee Increases in the 2004-05 Academic Year**

4. In accordance with the Memorandum of Administrative Arrangement signed between the Government and the VTC, the VTC sought approval from the EMB in November 2003 to increase the level of tuition fees in the academic year 2004-05 as outlined in its 8-year Strategic Plan. Approval was given in February 2004 for the proposed fee increases in respect of the PTE

courses for the academic year 2004-05, after taking into account the general economic conditions, the fee levels of comparable courses offered by other educational institutions and the impact on students and their affordability.

5. Based on the strategy of the phased approach to attain full cost recovery by the 2006-07 academic year, the VTC worked out the actual fees applicable to individual PTE courses in the academic year 2004-05. The fee increases for different PTE courses vary, ranging from 5% to 20%, depending on their mode of studies, unit costs and cost recovery rate already achieved.

6. The enrolments of the PTE courses in the 2004-05 academic year have been satisfactory, meeting the demand of many working adults. There are also arrangements for those students in need of financial assistance. They can seek financial assistance under the Non-Means Tested Loan Scheme administered by the Student Financial Assistance Agency. They can also apply to the IVE for deferment of their fee payment if they so require.

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