

ITEM FOR FINANCE COMMITTEE

HEAD 156 - GOVERNMENT SECRETARIAT: EDUCATION BUREAU

Subhead 700 General non-recurrent Item 987 Qualifications Framework Support Schemes

Members are invited to approve enhancements to the Qualifications Framework Support Schemes to boost the development of the Qualifications Framework.

PROBLEM

We need to boost the development of the Qualifications Framework (QF) through enhancement of the various QF financial assistance schemes, collectively known as the Qualifications Framework Support Schemes (QFSS), by relaxing their operating parameters.

PROPOSAL

2. The Secretary for Education (SED) proposes that the operating parameters of QFSS should be improved as set out below –

- (a) the accreditation grant for self-financing programmes (accreditation grant) -
 - (i) should be available to all education and training providers, with the level of grant for non-profit-making organisations being set at twice of that for those which are not;
 - (ii) should cover first-time as well as subsequent accreditation exercises;
 - (iii) should be increased to provide a greater incentive to education and training providers to quality assure their learning programmes; and

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- (iv) should adopt an increased ceiling for each provider;
- (b) the grant for Programme Area Accreditation (PAA grant) -
 - (i) should be made available to all education and training providers, with the level of grant for non-profit-making organisations being set at twice of that for those which are not;
 - (ii) should cover both first-time and subsequent PAA exercises;
 - (iii) should be increased to provide a greater incentive to education and training providers to quality assure their learning programmes; and
 - (iv) should adopt an increased ceiling for each provider;
- (c) the subsidy for Qualifications Register (QR) registration fees should be available to all qualifications and programmes registered in QR;
- (d) the accreditation grant to Recognition of Prior Learning (RPL) assessment agencies should be extended to cover subsequent exercises to quality assure the assessment agencies;
- (e) the level of reimbursement of RPL assessment fees for employees should be enhanced; and
- (f) a new one-off grant should be provided to course providers in order to provide incentive for education and training providers to develop courses based on the Specifications of Competency Standards (SCSs).

JUSTIFICATION

Development of QF

3. In May 2008, the Government launched QF to promote lifelong learning with a view to enhancing the capability and competitiveness of our local workforce. As at June 2011, Industry Training Advisory Committees (ITACs) have been set up for 16 industries¹ covering about 43% of the total labour force in Hong Kong. Twelve of these ITACs have drawn up the SCSs which set out the skills and outcome standards required of employees of the industries concerned.

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¹ These industries are Printing & Publishing, Watch & Clock, Chinese Catering, Hairdressing, Property Management, Electrical & Mechanical Services, Jewellery, Information & Communications Technology, Automotive, Beauty, Logistics, Banking, Import & Export, Testing, Inspection & Certification, Retail and Insurance.

SCSs are considered useful for human resources management such as staff recruitment, performance assessment and training. A robust quality assurance mechanism is in place to benchmark and safeguard the quality of learning programmes under QF, mainly through accreditation by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ). The RPL mechanism, which assists workers to pursue further learning, has been extended to the Property Management industry from March 2011 in addition to three industries² covered by the pilot scheme. We have also launched publicity and promotion campaigns to enhance awareness and recognition of QF.

Mid-term review of QFSS

4. The development of various systems and mechanisms under QF has resource implications for stakeholders, including the assessment agencies, education and training providers and learners. To alleviate the financial burden on the stakeholders, we launched QFSS in May 2008 with a non-recurrent commitment of \$208 million for a period of five years approved by the Finance Committee (FC) vide FCR(2007-08)22. QFSS is a collection of financial assistance schemes³ targeting at different stakeholders, including the education and training providers which have to seek accreditation from HKCAAVQ, assessment agencies to conduct RPL assessments, and employees undergoing RPL assessment for the purpose of pursuing further training or studies.

5. As at May 2011, about \$18 million (about 9% of the commitment) has been disbursed under QFSS. Despite the steady increase in participation, we saw room for review and improvement. We therefore conducted a mid-term review of QFSS. We consulted relevant education and training providers, trade associations and unions, quality assurance bodies and stakeholders in the industries through meetings, consultation sessions and survey. We distributed questionnaires to some 400 stakeholders to gauge their views.

6. Stakeholders consulted generally recognise the value of QF. Those who have made use of QFSS consider that QFSS helps alleviate their financial burden in participating in QF. Nevertheless, there are consistent feedback on the following two aspects –

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² The three industries are Printing & Publishing, Watch & Clock, and Hairdressing.

³ The seven schemes under QFSS are (a) accreditation grant; (b) PAA grant; (c) subsidy for QR registration fees; (d) accreditation grant to RPL assessment agencies; (e) reimbursement of RPL assessment fees; (f) accreditation grant for courses under the Education Bureau (EDB) (the then Education and Manpower Bureau (EMB))-subsidised schemes; and (g) start-up up grant to RPL assessment agencies.

- (a) the scope of QFSS is too restrictive because it is confined to non-profit-making organisations⁴ and first-time accreditation (i.e. excluding subsequent accreditation or review exercises). Many education and training providers who are keen to participate in QF are not eligible to apply for accreditation grants because of the lack of non-profit-making status, or because the accreditation exercises in question are subsequent accreditation exercises not covered under QFSS. Without the financial support, education and training providers do not have any strong incentive to engage in quality assurance activities before the benefit of QF is widely seen; and
- (b) employees may not be able to benefit from the scheme which reimburses RPL assessment fees on the condition that they have completed a QF-recognised course, because they may not be able to engage in training immediately after the RPL assessment.

Proposals to improve QFSS

7. Having regard to the feedback received, we propose to relax the operating parameters of QFSS including the scope, eligibility criteria and level of assistance in order to boost the development of QF. Our proposals are set out below.

(i) Accreditation grant

8. The accreditation grant aims to encourage education and training providers to seek accreditation of their learning programmes under QF. Currently, the grant only covers non-profit-making providers and their self-financing programmes⁵. Review exercises of the institutions and re-validation of programmes are not eligible for the grant.

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⁴ Notably, organisations exempted from tax under section 88 of the Inland Revenue Ordinance (Cap. 112) are accepted as non-profit-making organisations in Hong Kong.

⁵ Self-financing programmes refer to programmes other than publicly-funded programmes offered by the eight institutions funded by the University Grants Committee, Hong Kong Academy for Performing Arts, Vocational Training Council and Prince Philip Dental Hospital.

9. We propose that –
- (a) all education and training providers, irrespective of whether they are non-profit-making organisations, should be eligible for the accreditation grant. The extension will help encourage education and training providers in the sector to seek accreditation from HKCAAVQ to quality assure their learning programmes for the benefit of the learners. Non-profit-making organisations will enjoy better support than those who are not, with the level of grant for the latter being set at half of that for the former. In line with the existing arrangement, the grant will be given on a reimbursement basis upon successful accreditation by HKCAAVQ;
 - (b) subsequent accreditation exercises, in addition to first-time accreditation, should be eligible for the accreditation grant (subject to the cap in (d) below) to encourage education and training providers to seek reviews of their institutions and re-validation of programmes, so as to cultivate a culture of sustainable quality assurance;
 - (c) the current level of the grant should be increased to provide a greater incentive to education and training providers to quality assure their learning programmes through accreditation. For accreditation at the programme level (currently takes the form of Programme Validation⁶), the grant for each programme should be increased from 50% to 70% of the accreditation fee. For accreditation of SCS-based courses, the grant will be increased from 75% to 90% of the accreditation fee. For accreditation at the institution level (currently takes the form of Initial Evaluation⁷/Institutional Review⁸), we propose no change to the existing level of the grant (i.e. 100%); and
 - (d) the ceiling of the grant for each provider should be correspondingly increased from \$2 million to \$3 million in the light of the proposed higher level of the grant. The same ceiling would apply to all providers, irrespective of whether they are non-profit-making organisations⁹.

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⁶ “Programme Validation” is an accreditation process by HKCAAVQ to quality assure the programmes of a provider.

⁷ “Initial Evaluation” is an accreditation process by HKCAAVQ to examine the suitability of the providers to provide education and training.

⁸ “Institutional Review” was one of the accreditation exercises covered by the then Accreditation Grant Scheme (AGS). The role of the AGS has been taken up by QFSS since 5 May 2008 (vide FCR(2008-09)17).

⁹ With the same ceiling, providers without proof of non-profit-making status (and hence eligible for lower level of grant for each programme only) will reach the ceiling only if they submit more programmes or programme areas for accreditation. This will be conducive to encouraging such providers to have more programmes, which are quality assured, to join QF.

(ii) *PAA grant*

10. The grant aims to assist established education and training providers in seeking self-accrediting status in specified programme areas. The scope of the grant covers first-time PAA exercise for non-profit-making providers only. In line with the recommendations for accreditation grant at paragraph 9, we propose that the PAA grant should be made available to all education and training providers irrespective of whether they are non-profit-making organisations, and the grant should cover both first-time and subsequent PAA exercises (currently takes the form of Periodic Review).

11. We propose to increase the level of grant from 50% to 70% of the accreditation fee. Similar to the accreditation grant at paragraph 9(a), providers which do not have proof of non-profit-making status will only be eligible for a grant at half the level of that for non-profit-making providers, i.e. 35%. The ceiling of the PAA grant for each provider will be increased from \$1 million to \$3 million, and the same ceiling would apply to all providers, irrespective of whether they are non-profit-making organisations⁹.

(iii) *Subsidy for QR registration fees*

12. At present, the subsidy is only available to self-financing qualifications/programmes registered by non-profit-making providers in the QR for the first time. The subsidy covers 50% of the registration and hosting fees of the qualifications/programmes. Since QR is established by the Government and is the public face of QF, we propose that the Government should bear the full registration and hosting fees of all qualifications and programmes in QR, irrespective of the status of the providers and source of funding of the qualifications and programmes, and whether they are registered in QR for the first time.

(iv) *Accreditation grant to RPL assessment agencies*

13. The existing grant covers 50% of the fees for the first-time accreditation of RPL assessment agencies. In line with the recommendation for accreditation grant at paragraph 9, we propose extending the grant to cover subsequent quality assurance exercises for the assessment agencies.

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(v) *Reimbursement of RPL assessment fees*

14. At present, RPL assessment fees incurred by employees will be reimbursed on the condition that they have completed a QF-recognised course after the assessment, up to the maximum of \$1,000 for each employee. To encourage participation of employees, in particular those low-education and low/semi-skilled workers, we propose that –

- (a) 75% of RPL assessment fee incurred by an employee should be reimbursed to him/her upon passing RPL assessment;
- (b) the remaining 25% of RPL assessment fee will be reimbursed to the employee after he/she has satisfactorily completed a QF-recognised course; and
- (c) the ceiling of the subsidy for each employee will be raised from \$1,000 to \$3,500¹⁰ to enable them to undertake RPL assessments at a higher QF level.

(vi) *Development grant for SCS-based courses*

15. We encourage the development of SCS-based courses to ensure that courses provided to employees and other learners are relevant to the needs and requirements of the industries. However, the number of SCS-based courses developed remains low. One major reason is that providers are not familiar with SCSs at the early stage of the development of QF, and extra manpower and resources need to be incurred by education and training providers to study the SCSs and adopt them in curriculum design.

16. To provide a greater incentive for education and training providers to develop SCS-based courses, we propose to provide a new one-off grant under QFSS to boost the development of SCS-based courses. The grant will be set at \$30,000 for each SCS-based course developed and operated by education and training providers after successful accreditation and registration in QR¹¹. The grant for each provider under this new scheme will be subject to a ceiling of \$1 million.

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¹⁰ The amount \$3,500 is recommended with reference to the existing level of the assessment fee for an RPL assessment at QF Level 4.

¹¹ All SCS-based courses upon successful accreditation by HKCAAVQ, an institution with self-accrediting or PAA status, or any quality assurance bodies as authorised by SED, and registration in QR, could be covered by the grant.

(vii) Other schemes under QFSS

17. The remaining two grants under QFSS, i.e. the accreditation grant for courses under the Education Bureau (EDB) (then-Education and Manpower Bureau (EMB))-subsidised schemes¹² and the start-up grant to RPL assessment agencies¹³, have been operating smoothly. We do not recommend changes to their existing operating parameters.

FINANCIAL IMPLICATIONS

18. Implementation of the proposals do not require additional funding beyond the original \$208 million commitment. We estimate that the expenditure of each of the schemes under QFSS, after implementation of the proposals, will be as follows –

Schemes	Original estimated expenditure (\$ million)	Revised estimated expenditure (\$ million)
(a) Accreditation grant	65.0	74.0
(b) PAA grant	10.5	8.5
(c) Subsidy for QR registration fees	7.5	11.5
(d) Accreditation grant to RPL assessment agencies	5.5	2.0
(e) Reimbursement of RPL assessment fees	100.0	83.0
(f) Development grant for SCS-based courses	–	15.0
(g) Accreditation grant for courses under the EDB (then EMB)-subsidised schemes	8.5	10.0
(h) Start-up grant to RPL assessment agencies	11.0	4.0
Total	208.0	208.0

Encl. 19. Details of the revised estimated cash flow are set out at Enclosure.

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¹² The grant covers the accreditation fee for courses subsidised by EDB (then EMB), including “Skills Upgrading Scheme” (which is now renamed “Skills Upgrading Scheme Plus”) and the “Employees Retraining Scheme” (which is now renamed “Manpower Development Scheme”). The courses of both schemes have to be accredited by HKCAAVQ. The grant also covers re-validation fees of these courses and, where appropriate, the fees for accreditation at the institution level (currently takes the form of Institutional Review or Initial Evaluation).

¹³ The scheme provides a one-off start-up grant capped at \$300,000 per agency for the actual expenditure incurred by the agency in setting up the assessment mechanism.

20. We will continue to closely monitor and review the expenditure situation and redeploy resources among the schemes where necessary. Subject to availability of funds within the approved commitment of \$208 million and in the light of the further development of QF, we may need to further fine-tune the operational details of the schemes having regard to operational experience and views of the relevant stakeholders.

PUBLIC CONSULTATION

21. We consulted the Legislative Council Panel on Manpower on the proposals on 17 June 2011. Members generally supported the proposals and recommended submitting them to FC for approval.

BACKGROUND

22. QF is a seven-level hierarchy covering qualifications in the academic, vocational and continuing education sectors. All qualifications recognised under QF are quality assured. EDB has been working closely with relevant stakeholders, including employers, employees, trade associations and unions, professional bodies, and education and training providers to establish the infrastructure for QF. The Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 592), which provides a legal framework for the quality assurance mechanism underpinning QF, commenced full operation on 5 May 2008. QF was formally launched on that date.

Education Bureau
July 2011

**Estimated cash flow of the Proposed Revised
Qualifications Framework Support Schemes**

Schemes	Actual Expenditure (\$ million)			Estimated Expenditure (\$ million)			Total (\$ million)
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
(a) Accreditation grant	0.3	2.0	3.0	20.7	24.0	24.0	74.0
(b) PAA grant	0.7	0.2	0.1	2.1	2.7	2.7	8.5
(c) Subsidy for QR registration fees	1.8	2.0	1.1	2.0	2.3	2.3	11.5
(d) Accreditation grant to RPL assessment agencies	0	0	0	0.6	0.7	0.7	2.0
(e) Reimbursement of RPL assessment fees	0*	0*	0*	21.0	31.0	31.0	83.0
(f) Development grant for SCS-based courses	n.a.	n.a.	n.a.	3.0	6.0	6.0	15.0
(g) Accreditation grant for courses under EDB (then EMB)-subsidised schemes	4.5	1.6	0.8	1.1	1.0	1.0	10.0
(h) Start-up grant to RPL assessment agencies	0	0	0	1.4	1.3	1.3	4.0
Total	7.3	5.8	5.0	51.9	69.0	69.0	208.0

* *The total actual amount of reimbursement of RPL assessment fees already made to employees from 2008-09 to 2010-11 was \$85,360.*