Legislative Council Panel on Manpower

Mid-term Review of the
Qualifications Framework Support Schemes
and
Progress Report on the
Development of Qualifications Framework

Purpose

This paper seeks Members' views on the proposals to improve the Qualifications Framework Support Schemes (QFSS) to boost the development of the Qualifications Framework (QF). Opportunity is also taken to update Members on the latest development of QF.

Latest Development of QF

2. In May 2008, the Government launched QF to promote lifelong learning with a view to enhancing the capability and competitiveness of our local workforce. QF is a seven-level hierarchy covering qualifications in the academic, vocational and continuing education sectors. All qualifications recognised under QF are quality assured.

3. As at June 2011, Industry Training Advisory Committee (ITAC) has been set up for 16 industries[1] covering about 43% of the total labour force in Hong Kong. Twelve of these ITACs have drawn up the Specifications of Competency Standards (SCS) which set out the skills and outcome standards required of employees of the industries concerned. SCSs are considered useful for human resources management such as staff recruitment, performance assessment and training.

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[1] 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.

4.   The Recognition of Prior Learning (RPL) mechanism, which assists workers to pursue further learning, has been extended to the Property Management industry in March 2011 in addition to three industries [2] covered by the pilot scheme.   A total of about 1 600 applications for RPL assessment for the four industries have been processed and almost all applicants (99.5%) have been successful in the assessments.   We will continue our efforts to extend the mechanism to other industries.

5.   The Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), the Accreditation Authority under QF, continues to safeguard the quality and standards of the learning programmes recognised under QF.   As at May 2011, a total of 6 500 qualifications were registered in the Qualifications Register (QR), including about 250 training courses developed on the basis of the SCSs (SCS-based courses).   QR has provided a useful guide to learners in the selection of quality assured programmes to suit their own needs.

Mid-term review of QFSS

6.   The development of various systems and mechanisms under QF has resource implications to 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 time-limited and non-recurrent commitment of $208 million for a period of five years.   QFSS is a collection of financial assistance schemes [3] targeted 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.

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[2]   Printing & Publishing, Watch & Clock, and Hairdressing.

[3]   The seven schemes under QFSS are (a) accreditation grant for self-financing programmes; (b) grant for programme area accreditation; (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 EDB (the then EMB)-subsidised schemes and (g) the start-up up grant to RPL assessment agencies.

7.   As at May 2011, about $18 million representing about 9% of the $208 million commitment has been disbursed under QFSS.   Despite the steady increase in participation, we see some 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.

8.   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 areas: –

(a)   The scope of QFSS is too restrictive because it is confined to non-profit-making organisations[4] and first-time accreditation only (i.e. excluding subsequent accreditation or review exercises).   Many providers who are keen to support 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, 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 after they have completed a QF-recognised course, because they may not be able to engage in training immediately after RPL assessment.

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

Proposals to improve QFSS

9. 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 for self-financing programmes (accreditation grant)

10. The existing grant aims to encourage providers to seek accreditation of their learning programmes under QF. Currently, the accreditation grant only covers non-profit-making providers and their self-financing programmes[5]. Re-validation or review exercises of the institutions and programmes are not eligible for the grant.

11. We **recommend** that: –

  (a) all providers, irrespective of whether they are non-profit-making organisations, should be eligible for the accreditation grant. The extension will help encourage 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 continue to enjoy better support than those who are not, as the grant for the latter will be 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 providers to seek reviews and re-validations of their institutions and

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[5] Self-financing programmes refer to programmes other than publicly-funded programmes offered by the eight institutions funded by the University Grants Committee and the Vocational Training Council.

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 providers to quality assure their learning programmes through accreditation. For accreditation at the programme level (currently takes the form of Programme Validation[6]), the grant 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 Evaluation[7]/ Institutional Review[8]), 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 organisations[9].

(ii)   Grant for Programme Area Accreditation (PAA)

12.   The grant aims to assist established 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 (i), we **recommend** that the grant should be made available to all providers

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[6]   "Programme Validation" is an accreditation process 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. (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 only be able to reach the ceiling 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.

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).

13.   The level of grant is recommended to be enhanced from 50% to 70% of the accreditation fee.   Similar to the accreditation grant at (i), providers which do not have proof of non-profit-making status will only be eligible for a grant at half of that for non-profit-making providers.   The ceiling of the 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 organisations[9].

(iii)   Subsidy for QR registration fees

14.   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 the QR is established by the Government and is the public face of QF, we **recommend** that the Government should bear the full registration and hosting fees of all qualifications and programmes in the QR, irrespective of the status of the providers and sources of funding of the qualifications and programmes, and whether they are registered in the QR for the first time.

(iv)   Accreditation grant to RPL assessment agencies

15.   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 (i), we **recommend** extending the grant to cover subsequent quality assurance exercises for the assessment agencies.

(v)   Reimbursement of RPL assessment fees

16.   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 **recommend** that: –

(a) 75% of RPL assessment fee incurred by an employee should be reimbursed to the employee 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 $3,500[10] to enable them to undertake RPL assessments at a higher QF level.

(vi)   Development grant for SCS-based courses

17.   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 will be incurred by providers to study the SCSs and adopt them in the curriculum design.

18.   To provide a greater incentive for 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 by providers which will be payable upon successful accreditation and registration in QR[11]. The grant for each provider under this new scheme is subject to the 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 a RPL assessment at QF Level 4.

[11]   All SCS-based courses upon successful accreditation by HKCAAVQ or an institution with self-accrediting or PAA status, and registration in QR, will be covered by the grant.

(vii)   Other schemes

19.   The remaining two grants under QFSS, i.e. *Accreditation grant for courses under the EDB (then-Education and Manpower Bureau (EMB))-subsidised schemes[12]* and the *Start-up grant to RPL assessment agencies[13],* have been operating smoothly.   We do not propose changes to their existing operational parameters.

Financial implications

20.   No additional funding beyond the original $208 million commitment is required under the proposals.   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 fee	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**

Annex   21.   Details of the revised estimated cash flow are set out at <u>Annex</u>.

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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 to "Skills Upgrading Scheme Plus") and the "Employees Retraining Scheme" (which is now renamed to 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.

22.   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 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.

Way forward

23.   Our proposals will help ease the financial burden on stakeholders, thereby encouraging more stakeholders to join and give a boost to the development of QF. This in turn will help upgrade the competitiveness of our workforce at a faster pace, and better support the development of the economy of Hong Kong, particularly the four pillar industries and the six industries which Hong Kong enjoys clear advantage.

24.   Subject to Members' support, we will submit the proposals for revising QFSS to the Finance Committee of the Legislative Council in July 2011 for approval.

Education Bureau
June 2011

Estimated cash flow of the Proposed Revised Qualifications Framework Support Schemes

Qualifications Framework Support 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 fee	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 fee	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 is $85,360.*