

ITEM FOR FINANCE COMMITTEE

HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION BUREAU

Subhead 700 General non-recurrent New item “Qualifications Framework Fund”

Members are invited to approve a new commitment of \$1 billion for establishing the Qualifications Framework Fund.

PROBLEM

We need to support the sustainable development and implementation of the Qualifications Framework (QF).

PROPOSAL

2. The Secretary for Education (SED) proposes to create a commitment of \$1 billion under Head 156 – Government Secretariat: Education Bureau to establish the QF Fund to provide a steady source of income to support the sustainable development and implementation of QF.

JUSTIFICATION

QF

3. QF is a platform covering academic, vocational and continuing education sectors to promote lifelong learning with a view to continuously enhancing the quality, professionalism and competitiveness of our workforce in an increasingly globalised and knowledge-based economy. The key components of QF include, among others –

/(a)

- (a) establishing Industry Training Advisory Committee (ITAC)¹;
- (b) drawing up Specification of Competency Standards (SCS)² for industries;
- (c) implementing Recognition of Prior Learning (RPL)³ mechanism where needed in the relevant industries; and
- (d) maintaining a Qualifications Register (QR)⁴.

Review of support measures for QF

4. With the approval of the Finance Committee (FC) of the Legislative Council (LegCo) vide FCR(2007-08)22 in 2007, a non-recurrent commitment of \$208 million was created to implement a basket of financial assistance schemes known as Qualifications Framework Support Schemes (QFSS) to provide time-limited financial assistance to encourage relevant stakeholders to participate in QF. In 2011, FC approved vide FCR(2011-12)44 various improvements to the operating parameters of QFSS, including the scope, eligibility criteria and level of assistance, to boost the development of QF. The financial assistance schemes under QFSS are as follows –

Support for Accreditation

- (a) Accreditation Grant for Self-financing Programmes;
- (b) Accreditation grant for courses under Education Bureau (EDB) (then Education and Manpower Bureau (EMB))-subsidised schemes;
- (c) Grant for Programme Area Accreditation (PAA);

/Support

¹ ITACs provide a platform for employers, employees, professional bodies and other stakeholders to exchange their views on manpower development and upgrading, and to work with EDB to take forward the implementation of QF in the respective industries.

² SCSs are drawn up by the ITACs for the relevant industries, which set out the skills, knowledge and outcome standards required of employees in different functional areas of the respective industries.

³ RPL aims to enable practitioners with various backgrounds to receive formal recognition of the knowledge, skills and experience already acquired.

⁴ QR is a web-based database containing information on qualifications and their respective learning programmes that have been quality assured and recognized under QF.

Support for Recognition of Prior Learning (RPL) mechanism

- (d) Accreditation Grant to RPL Assessment Agencies;
- (e) Start-up grant to RPL Assessment Agencies;
- (f) Reimbursement of RPL Assessment Fees;

Development

- (g) Grant to education and training providers for development of SCS-based Courses; and

QR

- (h) Subsidy for QR Registration Fees.

The above schemes provide necessary financial support for various stakeholders, including industries and industry practitioners, to participate in QF. They also provide impetus for the provision of more quality assured courses. Details, major benefits and beneficiaries, and actual expenditure of the schemes under QFSS are set out at Enclosure 1 and Enclosure 2.

Encls. 1 & 2

5. As mentioned in FCRI(2013-14)4 on the extension of QFSS, we have reviewed the effectiveness of QFSS, taking into account feedback from stakeholders. It is noted that –

- (a) there has been a significant increase in the number of applications for accreditation grants and other subsidies under QFSS after the enhancement made in 2011. There was a four-fold increase in the cumulative expenditure of QFSS from around \$18 million in end July 2011 to \$72 million as at 31 March 2014, with a total of 315 education and training providers applying for accreditation grant to cover the accreditation fees for around 4 200 qualifications as from the inception of QFSS. In particular, more and more companies are seeking accreditation of their in-house training courses for recognition under QF;
- (b) stakeholders generally recognise the value of QF and agree that QF should be underpinned by a robust quality assurance (QA) mechanism to ensure the credibility of the framework. On this, they have been relying on the support provided by QFSS to alleviate the

/financial

financial burden in participating in QF. While QF is gaining wider recognition in the community and the time-limited financial assistance under the QFSS has given impetus for the development of QF, continued financial support for stakeholders is necessary and appropriate to maintain the momentum and cultivate a culture of sustainable QA, which will translate into long-term benefits for the community. Absence of on-going financial support will not only hinder their participation in QF, but will also transfer the financial burden to the learners;

- (c) the number of SCS-based courses developed remains low as education and training providers have to incur extra manpower and resources to study the SCSs and adopt them in curriculum design. Under the existing QFSS, we provide development grant for SCS-based courses with 36 QF credits or more. Training bodies consider this requirement too restrictive as more and more learners prefer bite-size SCS-based training modules with more flexibility in learning;
- (d) stakeholders generally believe that generic skills such as communication skills, numeracy and IT skills are pivotal to the quality of human resources. Hence, consideration may be given to providing incentives to encourage the provision of more Specification of Generic (Foundation) Competencies (SGC)⁵-based programmes such as vocational Chinese or English courses;
- (e) some on-going financial support should be provided to RPL assessment agencies to sustain operation under a self-financing model. Separately, recurrent subsidy should be provided to the QR Authority for daily maintenance and regular upgrading of QR; and
- (f) there has been a consistent feedback from stakeholders that our efforts to promote QF should be further enhanced by reaching out to all members of the community, thereby soliciting their support for the implementation of QF.

/Proposed

⁵ Generic (Foundation) Competencies are generic skills and knowledge that are shared across different industries and trades and are relevant to most people in the workplace. SGC covers four strands of foundation skills, namely, English, Chinese, Numeracy and Information Technology.

Proposed QF Fund

6. Taking into account the feedback set out in paragraph 5, we see the need for providing recurrent funding to support the sustainable development of QF in order to better take forward the key components of QF in paragraph 3. Recurrent government funding support for stakeholders is considered necessary for continuously incentivising stakeholders to participate in QF to promote the development of quality-assured qualifications, and enhancing the competitiveness of our human capital on a regular basis. We have considered the option of further extending QFSS until the balance of the earlier approved commitment is used up (outstanding balance is about \$136 million as at 31 March 2014). However, we conclude that it is more appropriate to provide a stable source of funding to support the continued implementation of QF in the long run.

7. Recognising the importance of QF in maintaining a quality workforce, the Chief Executive announced in the 2014 Policy Address to establish a dedicated fund of \$1 billion, namely the QF Fund, to provide a steady source of income to support the sustainable development and implementation of QF.

8. The QF Fund will be an endowment fund to support different schemes/initiatives for the sustainable development and implementation of QF, including but not limited to the following two areas –

- (a) Support schemes for QF development; and
- (b) Funding for ITACs, QF-related studies/projects and public education.

Support schemes for QF development

9. Our initial plan is to consolidate the existing schemes under QFSS into four categories under the QF Fund –

Accreditation Grant Scheme

10. The three existing accreditation grant schemes under QFSS (i.e. items (a) to (c) in paragraph 4) will be subsumed under the Accreditation Grant Scheme. At present, the accreditation grant schemes provide the following subsidies to education and training providers to cover the fee of

/accreditation

accreditation exercises⁶ by the Accreditation Authority, i.e. Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ)⁷ –

- (a) **For courses under EDB-subsidised schemes:** 100% subsidy for all kinds of accreditations.
- (b) **For non-profit-making providers:** 100% subsidy for initial evaluation/institutional review to examine the institution's competence in operating education and learning programmes⁸, 90% subsidy for accreditation of SCS-based courses and 70% subsidy for accreditation of other programmes, subject to a cap of \$3 million; and 70% subsidy for PAA, subject to a cap of \$3 million per provider.
- (c) **For other providers:** Half of the respective subsidy levels for non-profit making providers in (b) above.

Encl. 3 11. Under the proposed QF Fund, we propose three enhancement measures and details are at Enclosure 3.

12. The grant will only be provided to education and training providers upon successful accreditation of the provider (i.e. the capability of the provider in providing education and training under initial evaluation/institutional review) and the courses (i.e. QA for the programmes).

RPL Support Scheme

13. The three existing RPL-related schemes under QFSS (i.e. items (d) to (f) in paragraph 4) will be subsumed under the RPL Support Scheme. At present, the RPL-related schemes provide the following –

(a)

⁶ Under the Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 592), all fees in the QF system, including accreditation fee, RPL assessment fee, QR registration and hosting fee, are subject to SED's approval.

⁷ HKCAAVQ is an independent statutory body and is the Accreditation Authority under the Hong Kong QF.

⁸ "Initial Evaluation" is an accreditation process by HKCAAVQ to examine the suitability of the providers to provide education and training while "Institutional Review" is an accreditation exercise for establishing evidence of an institution's competence to operate programmes at Bachelor degree level while meeting the standards at QF level 5 and for the purpose of seeking registration under the Post Secondary Colleges Ordinance (Cap. 320).

- (a) **For RPL assessment agencies:** 50% of the accreditation fee for establishing its competence to conduct RPL assessments, and start-up grant at up to \$300,000 per agency for the actual expenditure incurred in setting up the assessment mechanism and necessary facilities.
- (b) **For practitioners:** reimbursement of up to 100% of RPL assessment fees, subject to a cap of \$3,500 per practitioner.

14. Under the proposed QF Fund, we propose two enhancement measures and details are at Enclosure 3.

15. RPL assessment agencies have to be appointed by the SED (on condition that they have completed accreditation by HKCAAVQ on their ability to conduct RPL assessment) before they become eligible to apply for grants under the RPL Support Scheme. As for practitioners, their eligibility will be vetted by the RPL assessment agencies. The grants to RPL assessment agencies will only be provided upon successful accreditation by HKCAAVQ. Meanwhile, reimbursement of RPL assessment fees will only be provided to the practitioners upon successful completion of RPL assessment (for 75% reimbursement of the assessment fee) and successful completion of a QF-recognised course (for the remaining 25% of the assessment fee).

Programme Development Grant Scheme

16. At present, development grant is provided for SCS-based Course (i.e. item (g) in paragraph 4) at \$30,000 per course with 36 QF credits or above, subject to a cap of \$1 million per provider. Under the proposed QF Fund, we propose four enhancement measures and details are at Enclosure 3.

17. To be eligible for the Programme Development Grants, the courses should be successfully accredited and registered in QR, with proofs that the courses have been launched and operated.

QR Subsidy Scheme

18. This Scheme will incorporate the existing Subsidy for QR Registration Fees under QFSS (i.e. item (h) in paragraph 4), which provides 100% subsidy to cover the fees for registration and hosting fees of qualifications onto QR.

/Under

Under the proposed QF Fund, we propose an enhancement measure of providing annual funding to the QR Authority⁹ for maintaining QR which is owned by the Government. Details are at Enclosure 3.

Encl. 4 19. Full details of the support schemes for QF development under the proposed QF Fund are set out at Enclosure 4.

20. Separately, Members may also wish to note that FC approved in May 2011 vide FCR(2011-12)11 the creation of a non-recurrent commitment of \$2.5 billion for establishment of the Self-financing Post-secondary Education Fund (SPEF). One of the schemes under SPEF is the Quality Assurance Support Scheme (QASS) which seeks to provide financial support to self-financing post-secondary institutions for conducting accreditation, reviews or assessments for the purpose of QA for the institutions and their learning programmes (\$25 million of the annual \$125 million investment income from the \$2.5 billion initial endowment of SPEF is intended for QASS).

21. It was originally planned that QASS would commence operation after the completion of QFSS. Given the proposed establishment of the QF Fund to support the continued operation of support schemes for QF development, we propose that only those QA activities of the post-secondary sector which do not receive support under the QF Fund (e.g. QA enhancement projects conducted by self-financing post-secondary institutions for internal enhancement unrelated to QF) will be covered under QASS to be launched in due course. This will avoid duplication between QASS and the QF Fund. It is hence expected that the funding required for QASS will be less than the original estimated expenditure of around \$25 million each year as mentioned in FCR(2011-12)11. The excess funding budgeted for QASS will be gainfully re-deployed for use by other schemes of SPEF, i.e. Self-financing Post-secondary Scholarship Scheme and Quality Enhancement Support Scheme.

Funding for ITACs, QF-related studies/projects and public education

22. ITACs established under QF provide a platform for stakeholders of various industries such as employers, employees, professional bodies and other related persons to exchange views on the development and enhancement of manpower. Overseas experience indicates that bodies similar to ITACs play an

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⁹ HKCAAVQ is the QR Authority under the Hong Kong QF.

important role in developing vocational qualifications for different job roles at various QF levels for the respective industries so as to further link up QF to the workplace. We propose providing funding to ITACs where needed to engage experts and/or education and training providers in designing the vocational qualifications, which will help attract new blood and encourage practitioners to pursue learning and upgrading. We will seek the endorsement of the Steering Committee on the QF Fund (the Steering Committee) before taking forward such projects (more details in paragraph 28). The proposed funding may also be used to support other new initiatives for ITACs in future, in consultation with the Steering Committee.

23. Apart from the above, we propose that funding from the QF Fund be used on studies or projects that may be conducted from time to time for the further development of QF¹⁰. Separately, as we have been actively establishing network with QF and QA authorities of other jurisdictions, some benchmarking or referencing studies might be necessary.

24. There have been on-going calls from stakeholders for stepping up our efforts to promote QF to the community at large through a host of publicity channels and engagement of more stakeholders. We propose using the QF Fund to provide funding support for these efforts. These public education and publicity activities that target the wider community will complement the industry-led promotion activities being funded out of the recurrent funding of \$10 million per year as announced by the Financial Secretary in the 2013-14 Budget¹¹.

Beneficiaries

25. It is expected that the proposed QF Fund will benefit industry practitioners and employers, including but not limited to those in the 19 industries¹²

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¹⁰ For example, we are currently planning or conducting various projects such as the development of Credit Accumulation and Transfer policy and principles, recognition of informal and non-formal learning under QF, recognition of professional qualifications, etc.

¹¹ These activities include: (a) introducing the QF Award Scheme for Learning Experiences for outstanding practitioners to engage in learning activities in different places around the world; (b) designing SCS-based training packages that meet the needs of the industries; and (c) stepping up promotion and publicity of QF for its wider acceptance among all sectors.

¹² 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, Insurance, Manufacturing Technology (Tooling, Metals and Plastics), Elderly Care Service and Security Services.

which have already established ITACs (out of which 15 have developed SCSs¹³ and eight have implemented the RPL mechanism¹⁴) due to more support for quality assured learning programmes and RPL mechanism. These 19 industries with ITACs cover 46% of our workforce. We will continue to encourage other industries to set up ITACs where appropriate to reap the benefits of QF.

26. The proposed QF Fund will also benefit people pursuing continuous education and lifelong learning with the provision of more accredited and quality-assured courses¹⁵, education and training providers¹⁶ due to the financial support for participating in QF, and assessment agencies¹⁷.

Monitoring and control

27. The QF Fund will be established under the Permanent Secretary for Education Incorporated who will act as the trustee of the Fund. The QF Fund will be managed in accordance with a trust deed which will stipulate the framework and the salient features necessary for its proper management and administration. The annual audited accounts will be tabled in the LegCo.

28. We shall set up a Steering Committee to advise the SED on the policy, strategy and administration of the QF Fund. The Steering Committee will be composed of official members as well as non-official members drawn from different stakeholders of QF including representatives from practitioners, employers, education and training providers, etc. to be appointed by SED. The proposed membership and terms of reference of the Steering Committee are set out at Enclosure 5. When making the appointment, EDB will be mindful of avoiding conflict of interests between Members' role in the Steering Committee and in their own work related to QF.

Encl. 5

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¹³ Printing & Publishing, Watch & Clock, Chinese Catering, Hairdressing, Property Management, Electrical & Mechanical Services, Jewellery, Information & Communications Technology, Automotive, Beauty, Logistics, Banking, Import & Export, Retail and Insurance.

¹⁴ Printing & Publishing, Watch & Clock, Hairdressing, Property Management, Automotive, Jewellery, Logistics and Chinese Catering.

¹⁵ As at 31 March 2014, there are around 7 900 qualifications listed on QR.

¹⁶ As at 31 March 2014, a total of 315 education and training providers have applied for accreditation grant to cover the accreditation fees since the inception of QFSS.

¹⁷ Currently, Vocational Training Council is the only RPL Assessment Agency for the eight industries which have implemented the RPL mechanism.

29. EDB, in consultation with the Steering Committee, will keep the schemes under the QF Fund under review, including the effectiveness of the schemes in supporting the development of QF. With the various schemes under the QF Fund as the enabling infrastructure to facilitate participation in QF, we anticipate that more industries will join the QF platform and more quality assured courses will be provided. We will continue to conduct annual briefings for the LegCo Panel on Manpower on the progress of QF, and report on the outcome and effectiveness of the QF Fund, with reference to appropriate performance indicators, including the percentage of workforce covered by ITACs established, the implementation of RPL mechanism and the number of QF-recognised courses registered on QR.

30. In future, SED will, where necessary, make revisions to the operational details of the above support schemes or introduce new support schemes as appropriate on the advice of the Steering Committee, having regard to the prevailing policy, operational experience, changes in costs of related QF activities, views of the stakeholders, etc. These changes will also be reported to the Panel on Manpower during the annual briefings.

FINANCIAL IMPLICATIONS

31. The Government has earmarked sufficient funds in the 2014-15 draft Estimates for the establishment of the QF Fund. If the proposed establishment of the QF Fund is approved, we will make appropriate investment arrangements. Assuming that the rate of return is 5% per annum, the investment income available will be around \$50 million per year. We intend to allocate the investment income to the two areas on a 60% (support schemes for QF development) to 40% (funding for ITACs, QF-related studies/projects and public education) ratio. The allocation ratio for the two areas may vary each year, depending on the income of the QF Fund and actual needs in each area. Other new areas may also be covered in future in consultation with the Steering Committee.

32. Generally, expenditure from the Fund ought to be met by the investment returns of the QF Fund. However, there may be times of market volatility where we may have to adjust our expenditure in the light of the reduced investment income or use a small part of the principal to finance the schemes under very exceptional circumstances.

33. The existing QFSS will continue to be implemented until the establishment of the proposed new QF Fund to ensure continuity. As it takes time for the QF Fund to generate and accumulate sufficient investment income to meet the funding requirements of the proposed initiatives, the balance of the existing approved commitment for QFSS (about \$136 million as at 31 March 2014 out of the total commitment of \$208 million) will continue to be used for meeting the cash flow requirements of the proposed new initiatives together with the investment income generated by the principal of the proposed QF Fund.

PUBLIC CONSULTATION

34. The proposal was discussed during the meeting of the LegCo Panel on Manpower on 27 January 2014 and Members supported the submission of the proposal to FC for approval.

BACKGROUND

35. Formally launched in 2008, QF is a platform covering academic, vocational and continuing education sectors to promote lifelong learning with a view to continuously enhancing the quality, professionalism and competitiveness of our workforce in an increasingly globalised and knowledge-based economy.

36. At its meeting on 22 June 2007, the FC approved vide FCR(2007-08)22 a non-recurrent commitment of \$208 million for the then EMB to implement a basket of financial assistance schemes, known as QFSS, for a period of five years from the date of the formal launch of QF to provide time-limited and non-recurrent financial assistance to encourage relevant stakeholders to participate in QF.

37. On 13 May 2011, FC approved vide FCR (2011-12)11 a non-recurrent commitment of \$2.5 billion for setting up SPEF which includes the Self-financing Post-secondary Scholarship Scheme for post-secondary students of self-financing programmes, the Quality Enhancement Support Scheme for self-financing institutions, and QASS. It was estimated that SPEF would generate investment income of \$125 million per year and the amount to be allocated to the three schemes would be \$50 million, \$50 million and \$25 million respectively.

38. On 18 July 2011, FC approved vide FCR(2011-12)44 various improvement measures to enhance the QFSS, including relaxing the operating parameters of QFSS such as the scope, eligibility criteria and level of assistance, and introducing a new one-off grant under QFSS as an incentive to encourage education and training providers to develop SCS-based course. EDB informed FC vide FCRI(2013-14)4 of the Administration's plan to continue implementing the QFSS until around 31 March 2014 pending a comprehensive review to consider the way forward for QFSS.

Education Bureau
May 2014

**Major benefits and beneficiaries under
Qualifications Framework Support Schemes**

Qualifications Framework Support Schemes	Objectives and scope of the schemes	Major benefits and beneficiaries (as at 31 March 2014)
<i>Support for Accreditation</i>		
(a) Accreditation Grant for Self-financing Programmes	The accreditation grant aims to encourage education and training providers to seek accreditation of their learning programmes under the Qualifications Framework (QF). Accreditation grant will be provided upon successful accreditation at the institutional and programme levels. The grant is subject to a ceiling of \$3 million per provider.	Ninety-seven education and training providers have received a total grant of \$34.5 million for seeking accreditation of about 380 programmes by Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ).
(b) Accreditation grant for courses under Education Bureau (EDB) (then Education and Manpower Bureau (EMB))-subsidised schemes	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”).	About 3 800 programmes involving 218 training bodies under the Employees Retraining Board have benefited from the grant of \$18.8 million for seeking accreditation by HKCAAVQ.
(c) Grant for Programme Area Accreditation	The grant aims to assist established education and training providers in seeking self-accrediting status in specified programme areas. The grant is subject to a ceiling of \$3 million per provider.	Three education and training providers have received a total grant of \$3.2 million for the accreditation of 22 programme areas by HKCAAVQ.
<i>Support for Recognition of Prior Learning (RPL) mechanism</i>		
(d) Accreditation Grant to RPL Assessment Agencies	The grant covers the fees for accreditation of RPL assessment agencies.	Assessment Agency for seven industries which have implemented the RPL mechanism has received a total grant of \$0.9 million for seeking first time or subsequent accreditation from HKCAAVQ.

Qualifications Framework Support Schemes	Objectives and scope of the schemes	Major benefits and beneficiaries (as at 31 March 2014)
(e) Start-up grant to RPL Assessment Agencies	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.	Assessment Agency for four industries which have implemented the RPL mechanism has received a start-up grant of \$1.2 million.
(f) Reimbursement of RPL Assessment Fees	<p>The scheme provides reimbursement to practitioners who have successfully applied for RPL assessment.</p> <p>RPL assessment fees is reimbursed in two stages : 75% upon successfully completed RPL assessments and the remaining 25% upon completion of a QF-recognised training course, subject to a cap of \$3,500 per practitioner.</p>	About 5 800 practitioners from eight industries have received reimbursement for the RPL Assessment Fees, involving about \$2.4 million in total.
<i>Development</i>		
(g) Development Grant for Specification of Competency Standards (SCS)-based Courses	The scheme provides a one-off grant for education and training providers to develop SCS-based courses with 36 QF credits or above.	Nine education and training providers have received development grant of \$0.5 million for 17 SCS-based courses.
<i>Qualifications Register (QR)</i>		
(h) Subsidy for Qualifications Register Registration Fees	The subsidy covers the registration and hosting fees of the qualifications/programmes on QR.	The total subsidy amounts to \$10.7 million covering the registration fees and hosting fees of around 7 900 qualifications registered in QR.

**Actual Expenditure as at 31 March 2014 of
the Qualifications Framework Support Schemes (QFSS)**

Schemes under QFSS	Actual Expenditure (\$ million)						Total (\$ million)
	2008- 09	2009- 10	2010- 11	2011- 12	2012- 13	2013- 14	
(a) Accreditation Grant for Self-financing Programmes	0.3	2.0	3.0	5.5	12.6	11.2	34.5
(b) Accreditation grant for courses under the Education Bureau (then Education and Manpower Bureau) - subsidised schemes	4.5	1.6	0.8	0	11.5	0.5	18.8
(c) Grant for Programme Area Accreditation	0.7	0.2	0.1	1.2	1.0	0	3.2
(d) Accreditation grant to Recognition of Prior Learning (RPL) assessment agencies	0	0	0	0.5	0.4	0	0.9
(e) Start-up grant to RPL assessment agencies	0	0	0	0	0.3	0.9	1.2
(f) Reimbursement of RPL assessment fees	0*	0*	0*	0.4	0.9	1.1	2.4
(g) Development grant for Specification of Competency Standard-based courses	N/A	N/A	N/A	0.1	0.2	0.2	0.5
(h) Subsidy for Qualifications Register registration fees	1.8	2.0	1.1	1.8	2.5	1.4	10.7
Total	7.3	5.8	5.0	9.5	29.4	15.3	72.3

* The total actual amount of reimbursement of RPL assessment fees already made to employees from 2008-09 to 2010-11 is \$85,360. It is not shown here due to rounding.

Note The figures may not add up due to rounding.

**Proposed Enhancement Measures
under the proposed Qualifications Framework Fund**

A. Accreditation Grant Scheme

	Existing support under Qualifications Framework (QF) Support Schemes	Enhanced support under proposed QF Fund
(i) Subsidy level for Specification of Competency Standards-based courses	90% for non-profit-making providers; 45% for other providers	100% for non-profit-making providers; 50% for other providers
(ii) Subsidy level for Specification of Generic (Foundation) Competencies (SGC)-based programmes	Nil	100% for non-profit-making providers; 50% for other providers (modeling on the subsidy level of (i))
(iii) Ceiling for all kinds of accreditation grant (including grant for Programme Area Accreditation (PAA))	\$3 million per provider (except Education Bureau (then Education and Manpower Bureau)-subsidised course), each for programme accreditation and PAA	No cap

B. Recognition of Prior Learning Support Scheme

	Existing support under QF Support Schemes	Enhanced support under proposed QF Fund
(i) For Recognition of Prior Learning (RPL) assessment agencies	Currently no funding support in processing applications from practitioners for RPL assessment	\$500 subsidy for each new application of RPL cluster processed, so as to alleviate pressure for increasing the assessment fees to a cost recovery level to induce more practitioners to seek RPL assessment.
(ii) For practitioners	Total reimbursement capped at \$3,500 per practitioner	No cap

C. Programme Development Grant Scheme

	Existing support under QF Support Schemes	Enhanced support under proposed QF Fund
(i) SCS-based courses with 36 QF credits or above	\$30,000 each	\$50,000 each
(ii) SCS-based courses with 12-35 QF credits	Nil	\$30,000 each to encourage the provision of bite-size training modules
(iii) SGC-based courses	Nil	\$20,000 each for courses with 6-17 QF credits, \$40,000 each for courses with 18 QF credits or above to encourage the development of SGC-based courses
(iv) Ceiling per provider for development grant	\$1 million per provider	No cap

D. Qualifications Register (QR) Subsidy Scheme

	Existing support under QF Support Schemes	Enhanced support under proposed QF Fund
Subsidy for the QR Authority (i.e. Hong Kong Council for Accreditation of Academic and Vocational Qualifications) to maintain and upgrade QR	Nil	\$3 million per year for the QR Authority so as to help alleviate pressure for increasing the QR registration fee substantially, taking into account the fixed cost of maintaining QR and the need for upgrading the computer system from time to time.

**Details of the Support Schemes
under the proposed Qualifications Framework Fund**

1. Accreditation Grant Scheme

The scheme aims to encourage education and training providers to seek accreditation at the institutional and programme levels under the Qualifications Framework (QF). Providers may apply for the following types of grants upon successful completion of the accreditation/review by the Accreditation Authority and registration of programmes/qualifications concerned in the Qualifications Register (QR).

Types of support	Designated Schemes subsidised by Government*	Non-profit-making providers	Other providers
(a) Initial Evaluation/Institutional Review fees	100%	100%	50%
(b) Programme Validation/Programme Re-validation fees			
<ul style="list-style-type: none"> • Specification of Competency Standards (SCS)-based or Specification of Generic (Foundation) Competencies (SGC)-based programmes 	100%	100%	50%
<ul style="list-style-type: none"> • Other programmes 	100%	70%	35%
(c) Programme Area Accreditation/Periodic Review fees	100%	70%	35%

* At present, these courses including “Skills Upgrading Scheme” (which is now renamed “Skills Upgrading Scheme Plus”) and the “Employees Retraining Scheme” (which is now renamed “Manpower Development Scheme”).

2. Recognition of Prior Learning (RPL) Support Scheme

The scheme provides support for the development/operation of the RPL assessment agencies and practitioners who have successfully applied for RPL assessment. Details are set out below –

Types of support	Eligibility	Level of subsidy
(a) Accreditation grant to RPL assessment agencies	Upon successful accreditation by Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) and appointment by the Secretary for Education (SED)	50% of accreditation fee

Types of support	Eligibility	Level of subsidy
(b) Start-up grant to RPL assessment agencies	Upon successful first-time accreditation by HKCAAVQ and appointment by SED	Up to \$300,000 per agency for the actual expenditure incurred in setting up the assessment mechanism
(c) Subsidy to RPL assessment agencies	Appointed by SED	\$500 for each new application of RPL cluster processed
(d) Reimbursement of RPL assessment fees	Practitioners successfully completed the RPL assessments	100% of RPL assessment fees to be reimbursed in two stages: <ul style="list-style-type: none"> • 75% of RPL assessment fees upon successful completion of RPL assessments • remaining 25% of RPL assessment fees upon completion of a QF-recognised training course afterwards

3. *Programme Development Grant Scheme*

The scheme provides a one-off grant for education and training providers to develop SCS-based or SGC-based courses.

	<i>SCS-based</i>	<i>SGC-based</i>
Eligibility	<ul style="list-style-type: none"> • Newly developed and operating SCS-based courses • 12 QF credits or above • Qualifications concerned must be successfully accredited • Must be registered in QR 	<ul style="list-style-type: none"> • Newly developed and operating SGC-based courses • 6 QF credits or above • Qualifications concerned must be successfully accredited • Must be registered in QR
Level of Subsidy	<ul style="list-style-type: none"> • For courses with 12-35 QF credits – \$30,000 each • For courses with 36 QF credits or above – \$50,000 each 	<ul style="list-style-type: none"> • For courses with 6-17 QF credits – \$20,000 each • For courses with 18 QF credits or above – \$40,000 each

4. *QR Subsidy Scheme*

The scheme supports the development and maintenance of QR for the benefit of the learning community. The Scheme covers two aspects –

- (a) 100% of the fees for the registration/hosting of qualifications and their associated programmes on QR; and
- (b) annual fee to the QR Authority to maintain and update QR on an on-going basis, initially set at \$3 million per year and then subject to periodic review.

Steering Committee on Qualifications Framework Fund

Proposed Terms of Reference

The Steering Committee advises Secretary for Education on –

- (a) the overall strategy for making use of the Qualifications Framework Fund (the Fund) as a vehicle to support the sustainable development and implementation of the Qualifications Framework;
- (b) the scope and parameters of the schemes, initiatives and activities to be covered by the Fund; and
- (c) any other matters that may be referred to the Steering Committee by the Education Bureau concerning the policy and administration of the Fund.

Where necessary, the Steering Committee also advises the Trustee of the Fund on the formulation of policies for and monitoring of the investment of the Fund.

In discharging its functions, the Steering Committee may set up sub-committees, conduct studies, engage professional services and co-opt members as and when necessary.

Proposed Membership

Chairman: Non-official

Members:

Non-official Members: Representatives from practitioners, employers, education and training providers, etc.

Ex-official Members: Executive Director, Hong Kong Council for Accreditation of Academic and Vocational Qualifications

Secretary for Education or his/her representative

The Steering Committee may also invite co-opted members as and when necessary.
