

立法會

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Panel on Manpower

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 20 March 2018

Continuing Education Fund

Purpose

This paper sets out background information on the Continuing Education Fund ("CEF") and summarizes the past discussions by the Panel on Manpower ("the Panel") on the subject.

Background

2. In the 2001 Policy Address, the Chief Executive announced that the Government would set aside \$5 billion to subsidize those with learning aspirations to pursue continuing education and training programmes. The aim was to help people to pursue continuous learning, thereby preparing them for the knowledge-based economy. The Finance Committee ("FC") approved in April 2002 a commitment of \$5 billion for launching CEF in June 2002. Upon reviews of CEF in 2003 and 2007, improvement measures were introduced to enhance the quality and relevance of CEF courses, strengthen the monitoring of course operation and widen scope of CEF to cover more sectors and domains. As an relief measure during the financial tsunami, a further funding of \$1.2 billion was injected into CEF in July 2009.

3. Under CEF, eligible applicants¹ will be reimbursed 80% of their course

¹ Applicants should meet the following criteria:

- (a) aged from 18 to 65 at the time of application;
- (b) are Hong Kong residents who have the right of abode or the right to land or to remain in Hong Kong without restriction;
- (c) have enrolled in and paid the tuition fee on equal monthly instalments basis for a reimbursable course before the course commences;
- (d) have not obtained any other public funds or publicly-funded financial assistance for the same course; and
- (e) application should be submitted before the course commences.

fees, subject to a maximum sum of \$10,000 (whichever is the less), on successful completion of a reimbursable course. The fees for more than one reimbursable course may be reimbursed within a four-year period for a maximum of four claims from the date of opening a CEF account, subject to the maximum ceiling of \$10,000 per applicant not being exceeded.

Deliberations of the Panel

Terms and conditions for CEF course providers

4. Some members were concerned about the credibility of CEF course providers, the quality of courses and the qualifications of course instructors. The Administration advised that all new courses had to undergo formal accreditation before registration under CEF. The accreditation was a quality assurance process in which the academic or vocational standard of the course, the governance and management structure of the course provider, the quality assurance mechanism, etc. would be examined. The Hong Kong Council for Accreditation of Academic and Vocational Qualifications ("HKCAAVQ") would also consider the fitness and propriety of the course director and responsible person of the course provider concerned. The course provider was required to comply with a set of terms and conditions laid down in the Letter of Approval issued to it after the approval and registration of the respective courses under CEF ("the CEF Terms and Conditions").

5. Regarding the quality of courses and the qualifications of course instructors, the Administration explained that course providers were required to recruit an adequate number of appropriately qualified and experienced instructors under the CEF Terms and Conditions. When course providers applied for registration of their courses under CEF, they had to provide specific information on the qualifications of the instructors for assessment. After a course had been registered under CEF, the course provider had to obtain written approval of the Administration before changing the instructors.

Inspection of CEF courses and other monitoring measures

6. Some members expressed concern whether the Office of the Continuing Education Fund ("OCEF") and HKCAAVQ had been effective in monitoring course operations. According to the Administration, CEF course providers were subject to the ongoing monitoring of OCEF and HKCAAVQ to ensure compliance with the CEF Terms and Conditions. During regular inspections, OCEF and HKCAAVQ required course providers to provide documentary proofs (such as enrolment forms, attendance records, assessment test and answer sheets, course evaluation forms, receipts of course fees and promotional

brochures) of students who had applied for CEF reimbursement. OCEF had conducted around 250 inspections each year, including surprise inspections during classes to check the attendance record and the number of learners present, whereas HKCAAVQ had conducted some 80 inspections each year on course providers. A written warning would be issued to a course provider when non-compliance was detected. If the non-compliance was serious or repetitive in nature, the Labour and Welfare Bureau ("LWB") would, in consultation with OCEF and HKCAAVQ, consider de-registering the concerned courses from the list of CEF reimbursable courses. In case of suspected criminal offences, OCEF would refer the case to the relevant law enforcement agencies for follow-up.

CEF courses and review of CEF

7. Some members considered that the Administration should proactively work with labour organizations in planning of CEF courses as appropriate. Some members were also concerned about the problem of manpower mismatch, particularly in the new emerging industries, and considered it imperative for LWB to work collaboratively with the Education Bureau ("EDB") and the Innovation and Technology Bureau to address the problem. The Administration explained that training courses under eight specified domains (i.e. business services, financial services, logistics, tourism, creative industry, design, language, and interpersonal and intrapersonal skills for the workplace) could be registered as CEF courses by application, subject to the assessment by HKCAAVQ and approval by LWB. Besides, courses designed in accordance with the Specification of Competency Standards ("SCS") drawn up by the respective Industry Training Advisory Committees under the Qualifications Framework of EDB and registered as SCS-based courses under the Qualifications Register ("QR") might also apply for registration under CEF.

8. To encourage the public to pursue continuing education, members called on the Administration to make reference to the Singaporean's practice to raise the reimbursable ceiling for those who had exhausted the allowance and allow eligible applicants to apply for the allowance up to the maximum in every five or 10 years. According to the Administration, most of the eligible applicants with CEF accounts in fact had not exhausted the maximum sum of \$10,000 per applicant.

9. Members were advised that the Administration had commissioned an independent consultant to assist in conducting a review of CEF. Members were concerned about the scope and timeframe for the review. According to the Administration, the review covered the amount of reimbursable ceiling, how the course domains could be enriched and how the course monitoring

mechanism could be enhanced, which was expected to be completed within 2017. Enhancement measures would then be launched as soon as practicable.

Proposed enhancement measures to CEF

10. At the Panel meeting on 21 November 2017, members were briefed on the findings pursuant to the review of CEF and the proposed enhancement measures to improve the operation of CEF, as well as the proposal to inject \$1.5 billion into CEF. The proposed enhanced measures included, among others, relaxing the upper age limit for CEF applicants from 65 to 70, expanding the scope of CEF courses from the eight specified domains and SCS-based courses to all courses registered in QR, and lifting the restrictions on the validity period and the number of reimbursement claims.

11. Members expressed support for the proposed enhanced measures to CEF. However, members generally expressed disappointment that the Administration proposed no change to the subsidy ceiling of \$10,000 since the inception of CEF in 2002. They considered that the amount of CEF subsidy was insufficient for lifelong learning. Members called on the Administration to consider increasing the subsidy ceiling to the region of \$20,000 and \$40,000. According to the Administration, most of the CEF beneficiaries had made use of the subsidy to attend short-term courses and among the 666 000 closed accounts of CEF beneficiaries, more than half (or around 380 000) actually did not use up the subsidy of \$10,000. To encourage more people to pursue continuous education, the Panel passed two motions, which among others, urging the Administration to increase the amount of subsidy under CEF to \$20,000 and \$40,000 respectively.

12. While expressing support for the funding proposal to inject an additional \$1.5 billion into CEF in 2017-2018 to sustain the operation of CEF, some members were concerned about the cash flow and duration of the Fund after the proposed injection. According to the Administration, as at end September 2017, CEF had a total commitment of about \$5.2 billion and an uncommitted balance of about \$1 billion. Subject to the approval of FC, the total funding provision for CEF will increase from \$6.2 billion to \$7.7 billion. The funding would be used to meet the payment of subsidy and costs for administering CEF. The actual cash flow and duration of CEF would depend on the speed at which eligible applicants come forward and seek reimbursement as well as the amount of subsidy sought under the enhanced measures. It was estimated that with the \$1.5 billion injection, CEF might continue to operate until late 2024, assuming the number of new applications would arise at the current pace.

Recent development

13. As announced by the Financial Secretary in the 2018-2019 Budget, the Government will raise the subsidy ceiling of CEF from \$10,000 to \$20,000 per applicant. Those who once opened a CEF account may also benefit from this initiative. In parallel, it will extend the upper age limit for CEF applicants to 70, lift the restrictions on the validity period and the number of claims, and expand the scope of CEF to include all courses in QR. The Government will further inject an additional \$8.5 billion into CEF. It is expected that a total of about 610 000 recipients will benefit from the enhancements.

14. The Administration will brief the Panel on the proposed funding injection into CEF at the meeting on 20 March 2018.

Relevant papers

15. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
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Appendix

Relevant papers on the Continuing Education Fund

Committee	Date of meeting	Paper
Panel on Manpower	20.12.2001 (Item IV)	Agenda Minutes
Finance Committee	26.4.2002 (Item No. 2)	Agenda Minutes
Panel on Manpower	17.7.2003 (Item V)	Agenda Minutes
	17.5.2007 (Item VI)	Agenda Minutes
	18.6.2009 (Item II)	Agenda Minutes
	12.7.2010 (Item III)	Agenda Minutes
Legislative Council	2.7.2014	Official Record of Proceedings (Question 14)
	24.6.2015	Official Record of Proceedings (Question 19)
	23.11.2016	Official Record of Proceedings (Question 17)
Panel on Manpower	23.1.2017 (Item III)	Agenda Minutes
Panel on Manpower	21.11.2017 (Item V)	Agenda Minutes