

**Secretary for Education and Manpower's
Speaking Note at the
Special Meeting of Finance Committee to Examine
the Draft Estimates of Expenditure 2001-02
held at 11:15am on Friday, 23 March 2001**

Mr. Chairman,

The following will be an account of Government's expenditure on the policy area of employment and our major initiatives in the coming year.

Overall Expenditure on Employment

2. In 2001-02, the total recurrent expenditure on employment and vocational training will be **\$2.2 billion**, representing an increase of **57.5%** in real terms. The bulk of the additional provision covers \$400 million of recurrent subvention for the Employees Retraining Board and funding for the skills upgrading programme. Further, the Financial Secretary has also announced the establishment of a training fund of \$300 million, which will be administered by the Trade and Industry Department, to subsidise SMEs' training initiatives. I would now focus on our major expenditure proposals regarding the Employment programme in the forthcoming year.

(a) Services for Job Seekers

3. Helping the unemployed and developing our human resources

are on the top of our agenda. In the coming financial year, the Labour Department has set aside **\$275.1 million** for the provision of employment services. This includes **\$110 million** for the Youth Pre-employment Training Programme and another **\$7.35 million** for a pilot programme for the middle-aged long-term unemployed.

4. As far as the majority of job seekers are concerned, what they need is timely and easy access to vacancy information. Hence, the Labour Department has made an important infra-structural development in this direction, the Employment Information Super-highway. The Department has linked up with 9 leading employment websites and all private employment agencies to provide a one-stop access point to job vacancy information available in the market. Through the Employment Information Super-highway, job seekers can access 98% of all job vacancies in the local labour market.

(b) Employees Retraining Board

5. The Employees Retraining Board (ERB) plays an important role in assisting unemployed workers over the age of 30 to re-enter the job market. Close to 100 000 training places are provided each year, half of which are full-time placement-tied courses. We will provide recurrent subvention of **\$400 million** to the ERB from this financial year onwards to allow it to have a stable source of funding to provide quality retraining. To tie in with the new funding arrangement, we will sign, very shortly, a Memorandum of Understanding with the ERB, setting out key service

requirements as well as performance indicators to ensure the effectiveness of retraining work.

(c) Skills Upgrading Scheme

6. In our increasingly knowledge-based economy, continuous upgrading of the skills of our workforce is of vital importance. To this end, we have earmarked **\$400 million** in the coming two years for the provision of focused skills training for elementary workers with an education standard at or below secondary level. A Steering Committee, comprising representatives of employers, employees, training bodies and academics, has also been set up to oversee the design of the Scheme. Six industries have been selected for the first phase of the Scheme. These include printing, retail, Chinese catering, import/export, transport, textile and clothing. We are consulting the industries with a view to drawing up detailed training packages. We expect that the training courses will be rolled out in phases from mid-2001 onwards.

Review of the Organisation of Vocational Training and Skills Upgrading

7. To ensure that training/retraining resources are deployed in the most cost-effective manner, we will shortly commission a consultancy to review the existing organisational set-up and mode of service delivery for the provision of training and retraining. The scope covers the functions and training programmes of the Vocational Training Council, the

Employees Retraining Board, the Clothing Industry Training Authority and the Construction Industry Training Authority. The EMB will also explore the development of a qualifications framework for vocational training and the interface between vocational training and adult education. Our aim is to complete the study before the end of the year.

8. Mr. Chairman, that concludes my presentation on the Employment programme area. My colleagues and I will be happy to listen to Members' views and answer Members' questions.