

## **ITEM FOR FINANCE COMMITTEE**

### **HEAD 146 - GOVERNMENT SECRETARIAT : EDUCATION AND MANPOWER BUREAU**

#### **Subhead 700 General other non-recurrent**

#### **Item 026 IT Assistant Course**

Members are invited to approve an increase in the approved commitment of Head 146 Government Secretariat : Education and Manpower Bureau Subhead 700 General other non-recurrent Item 026 IT Assistant Course from \$36 million by \$54 million to \$90 million for continuing the provision of Information Technology training places at the junior assistant level from 2002-03 to 2004-05.

### **PROBLEM**

The approved commitment for the IT Assistant Course only provides funding for running the Course up to and including 2001-02. We need to address a continued demand for subsidised training places providing IT training at the junior assistant level.

### **PROPOSAL**

2. The Secretary for Education and Manpower proposes to increase the approved commitment for the IT Assistant Course from \$36 million by \$54 million to \$90 million to provide 1 000 IT training places each year from 2002-03 to 2004-05.

**/JUSTIFICATION .....**

## JUSTIFICATION

3. As Hong Kong is transformed into a knowledge-based economy, we need sufficient supply of well-trained IT manpower at various levels. To meet the needs for IT manpower at the junior assistant level, the Finance Committee approved on 26 May 2000, vide FCR(2000-01)19, a commitment of \$36 million for the provision of 2 000 IT training places in 2000-01 and 2001-02. The IT Assistant Course provides training for young school leavers and unemployed persons at Secondary 3 level or above to acquire IT training on a full-time basis. The Course is jointly run by the Vocational Training Council (VTC) and the Employees Retraining Board (ERB), with VTC being responsible for the overall co-ordination, curriculum development and review, development of teaching materials and quality assurance.

### **Effectiveness of the existing course**

4. The Course has received very favourable response. Over 16 500 applications were received for the 2 300 training places available (including 300 places offered on a pilot basis before the creation of the existing capital commitment). As at end February 2002, over 1 800 trainees have completed their training.

5. As at February 2002, the overall employment rate of those graduates actively seeking employment was about 70%. Of the graduates who have successfully secured employment, about 80% of them have taken up various IT or IT-related positions including computer operator, graphic/web designer, IT assistant, IT teaching assistant, project assistant, Internet support technician, system support technician, technical support technician, etc. The graduates earn an average salary of \$7,075 per month.

6. The Steering Group for the IT Assistant Course (comprising representatives from the IT industry, trade associations, the ERB, the VTC and Government) has completed a review of the IT Assistant Course and concluded that the Course was in general successful. It met the needs of the industry and was well received by both employers and the trainees. Findings from a survey also showed that almost all trainees were satisfied with the Course while employers were pleased with the competitiveness and performance of the graduates.

7. The Steering Group noted that the unfavourable economic outlook might affect the employment opportunities for IT Assistant Course graduates. However, the Group agreed that there would still be a continuing demand for IT Assistant Course trainees in the market, particularly from small and medium-sized enterprises. In addition, the training offered would greatly enhance the employability of the target trainees. Taking into account these factors, the Steering Group recommended that the IT Assistant Course should continue for three more years, with a target of offering 1 000 training places annually during the period. We support this recommendation. We think it is prudent to continue the programme on a time-limited basis as circumstances in the employment market and the training needs of our workforce may change over time.

### **Enhancement in course curriculum and mode of delivery**

8. The present curriculum was designed in 2000. It needs to be enhanced to ensure that it meets the latest IT needs of companies in the IT industry and in other sectors. In this regard, the Steering Group has reviewed the curriculum in the light of the latest needs of the market, changes in technology, experience in course delivery, feedback from trainees and their employers and the placement results. It has developed an enhanced curriculum which consists of a foundation module and two specialised streams with separate focuses. Under the new curriculum structure, each trainee must complete the foundation module and one of the two specialised streams. The foundation module focuses mainly on basic office IT skills as well as a working knowledge of e-commerce. The IT Technical Support stream covers skills that are critical for entry-level IT technical/system support personnel focusing on supporting IT technical infrastructure. The Web/Office IT Support stream will equip participants with the right skills for support activities commonly required in today's digital workplace. Upon completion of the training, graduates will be equipped with the basic IT skills necessary to work in the area of IT technical support, web development, e-commerce, multimedia production, etc. In addition, they will have specialised skills in either IT Technical Support or Web/Office IT Support.

9. Before October 2000, the programme was delivered solely through traditional classroom-based training. In October 2000, the course providers introduced a new training mode, the Web-based Training and Learning (WBT) mode, as an alternative. This new learner-centred training mode offers much greater flexibility for students and learner control of the training process to improve the overall learning effectiveness. We plan to gradually increase the proportion of the WBT mode for the Course in the next three years.

**FINANCIAL IMPLICATIONS**

10. The proposal will incur an additional non-recurrent expenditure of \$54 million from 2002-03 to 2004-05. The expenditure is for the provision of an annual 1 000 training places in the coming three years. It also covers the cost of regular course review and refinement, procurement of hardware and software, training and support, recruitment of staff, administration and publicity. A detailed cost breakdown and cashflow projection is at Enclosure.

11. If Members approve the proposal, we shall approve the supplementary provision required in 2002-03 under delegated authority. The amount will be offset by an equivalent provision under Head 106 Miscellaneous Services Subhead 789 Additional Commitments. The provision to be required in 2003-04 and 2004-05 will be included in the draft Estimates.

**BACKGROUND INFORMATION**

12. In view of the demand for trained IT manpower by companies in the IT industry and in other sectors, we ran a pilot IT Assistant Training programme from February to July 2000 for young school leavers and unemployed people to take up jobs as junior IT assistants. Following the success of the pilot course, we obtained approval from this Committee in May 2000 for a commitment of \$36 million to formalise the course with a training capacity of 2 000 from 2000-01 to 2001-02.

13. As one of our 2001 Policy Objectives, we propose to continue the provision of 1 000 training places in the IT Assistant Course each year for the coming three years (2002-03 to 2004-05) to meet the needs of the economy for trained manpower.

14. We consulted the Legislative Council Panel on Manpower on the above proposal on 28 February 2002. The Panel was generally supportive of the proposal.

**Cashflow projection of IT Assistant Course from 2002-03 to 2004-05**

	2002-03	2003-04	2004-05	Total
	(\$million)	(\$million)	(\$million)	(\$million)
(a) Courseware development (Note 1)	2.73	0.86	0.87	4.46
(b) Multimedia software and other additional software licence and hardware (Note 2)	3.50	0.80	0.60	4.90
(c) Direct training and support (Note 3)	12.30	11.90	11.50	35.70
(d) Admissions, placement and administration (Note 4)	2.60	2.60	2.60	7.80
(e) Project administration (Note 5)	0.35	0.35	0.35	1.05
<b>Total</b>	<b>21.48</b>	<b>16.51</b>	<b>15.92</b>	<b>53.91</b> <b>say 54</b>

Note 1: There is a need to update the course content to keep pace with IT development over time. The cost includes corresponding expenses to modify the web-based modules.

Note 2: This includes the procurement of additional software, additional hardware and hardware upgrade and the provision of network and communication facilities. Additional software and hardware are required to catch up with the latest IT developments, and to meet the need arising from the wider use of the WBT mode.

/Note 3 .....

Note 3: This includes the cost for classroom classes and web-based classes (e. g. production of course materials, staff cost for instructors, and operating expenses of learning centres). It is assumed that the number of web-based trainee places to the number of classroom trainee places is 600 to 400, 700 to 300 and 800 to 200 in the three years from 2002-03 to 2004-05.

Note 4: This includes the administration expenses on advertising, enrolment and admissions.

Note 5: As with the existing arrangement, the VTC will be the project co-ordinator. VTC will provide a portion of the training places as well as oversee the provision of the remainder of the places by training bodies of the Employees Retraining Board. The cost for project administration covers the cost of a temporary staff to be hired by VTC to oversee the project.