

**LegCo Panel on Manpower
(Policy Address Debate on 16 January 2003)**

Manpower Training and Development

Background

At the meeting of the LegCo Panel on Manpower held on 13 January, Members requested that the paper on the key policy initiatives and work plan of the Education and Manpower Bureau for the coming year be re-circulated. This is at Annex.

Manpower Planning and Development

2. In addition to the information provided in the paper at Annex, Members may wish to note the following:

- (i) We are in the process of carrying out a manpower projection survey, as a follow up to an earlier one in 2000, to assess Hong Kong's future manpower needs and to identify potential gaps in manpower supply and demand. The exercise will include a detailed assessment of Hong Kong's manpower demand by economic sector, occupation category and educational attainment as well as manpower supply by educational attainment up to 2007. Apart from quantitative analysis and projection based on the latest population census, qualitative information will be obtained through comprehensive surveys covering some 4 200 business establishments and 8 000 households as well as a broad-level consultation with around 150 business, labour and training organisations.

We aim to complete the exercise around April 2003. The outcome of the survey will provide useful information on the manpower requirements of Hong Kong up to 2007, taking into account latest developments in Hong Kong and in the neighbouring region. We will formulate appropriate manpower training

strategy in the light of the survey results.

- (ii) We have put forward proposals on the establishment of a qualifications framework and the associated quality assurance mechanism in Hong Kong. The qualifications framework will provide clear information on courses and standards of providers. With clear and flexible progression pathways, learners can draw up their own road maps to upgrade their skills and pursue lifelong learning. Since qualifications must be subject to a quality assurance mechanism before they can be included in the qualifications framework, they will be given wide recognition.

Based on the qualifications framework, we will set up Industry Training Advisory Committees to develop Industry Training Specifications for individual industry sectors. The Committees will define competency standards (i.e. skills and knowledge applied at work), their aggregation into qualifications for different levels of jobs in a sector and assessment criteria. The Committees will comprise employers, employees and other relevant parties. Through employers' input in the process, the training needs of industries can be met and the qualifications will be recognized by employers.

**LegCo Panel on Manpower
(Meeting on 21 November 2002)**

Work Plan for Manpower Training and Development

Introduction

This paper sets out the key policy initiatives and work plan of the Education and Manpower Bureau on manpower training and development in the coming year.

Manpower Development Committee

2. Last year, the Government decided to set up a Manpower Development Committee (MDC) to oversee the provision, coordination and regulation of vocational education and training so as to meet the changing needs of the community. The MDC will be chaired by the Secretary for Education and Manpower (SEM) with members drawn from among employers, employees, training providers, professional organisations and academics. The MDC membership is at **Annex**.

3. Specifically, MDC will provide advice on the following:

(a) Strategic manpower planning

The MDC will assess Hong Kong's manpower needs and advise on the means for meeting the needs. The aim is to equip our workforce with the knowledge and skills necessary for the social and economic development of Hong Kong, and minimise the mismatch between manpower supply and demand;

(b) Coordination of funding

To support the development of a knowledge-based economy, we need to develop an active, efficient, diversified and responsive vocational education and training market. The MDC will advise on how available funds should be allocated to different

programmes and sectors to achieve maximum benefit. This will involve re-examining the scope, funding arrangement and mode of operation of existing programmes;

(c) Establishment of a qualifications framework

To facilitate promotion and regulation of the vocational education and training market, the establishment of a qualifications framework (QF) is paramount. We have commissioned a consultancy study on the development of a QF which will cover main stream academic education, vocational education and continuing education sectors. The MDC will advise on the consultant's recommendations and the implementation plan, taking into account the views of the key stakeholders;

(d) Establishment of a quality assurance framework

To implement the QF, an effective quality assurance framework must be established to ensure that the training providers meet the stipulated training standards. The MDC will advise on the proposed quality assurance framework and the key stakeholders will be consulted before implementation.

4. Originally, it was intended that a Preparatory Committee would be set up to pave the way for the MDC to be established after the Accountability System is introduced. However, as a fair amount of preparatory work has already been undertaken by the Education and Manpower Bureau, we have re-assessed the situation and concluded that it is no longer necessary to set up an interim Preparatory Committee.

5. The Employees Retraining Board (ERB) and the Vocational Training Council (VTC) will continue to operate in the present mode until the MDC has taken a view on the longer term development of the two organisations. The two organisations are represented on the MDC and will take part in the deliberations. Where changes are introduced, staff of the VTC and ERB will be consulted and a reasonable transitional period will be provided to minimize any disruption to service and impact on staff.

6. The MDC is essentially an advisory body, hence it is not necessary to make it a statutory body. Membership of MDC represents a wide cross section of interests in the community. We are confident that they will offer sound and balanced advice.

7. With the establishment of MDC, we hope to see a more systematic approach to manpower planning and development, and more cost-effective and coordinated use of public resources. We also wish to see Hong Kong developing into a lifelong learning society with a vibrant vocational education and training market, where learners are guided by a clearly articulated qualifications framework and a transparent quality assurance mechanism. Through their participation in developing the QF, employers will ensure that training programmes are designed to provide workers with the skills and standards required to meet the needs of the respective industries.

Continuing Education Fund

8. In June 2002, we established the \$5 billion Continuing Education Fund. Hong Kong residents aged 18 to 60 who do not have a university degree may enroll in an approved course in specific sectors (logistics, financial services, China business, tourism, language, design and interpersonal and intrapersonal skills for the workplace). They will be reimbursed 80 per cent of the course fee or \$10,000, whichever is the lesser, upon successful completion of the course.

9. The response to the Fund has been encouraging. As at the end of October, we received over 14 000 applications. There are at present over 800 courses on our list of reimbursable courses which is updated every month. We shall review the implementation of the scheme in a year. The review will also consider whether and how the Fund can be extended to benefit other target groups. Our plan is to complete the review by mid 2003.

Employees Retraining

10. We shall continue to fund the provision of retraining services. Through more cost-effective use of resources, the ERB plans to provide over 100 000 retraining places in the coming year. The placement target of 70% will be maintained.

11. The ERB has established a new assessment centre equipped with practical skills training facilities to ensure uniformity of standards in the proficiency of retrainees who have completed the domestic helper training courses. The center will help to benchmark the skills standard of trainees, which will in turn enhance employers' confidence in the ability of the trainees. The ERB plans to conduct assessment for some 10,000 domestic helper trainees annually.

12. The Integrated Scheme for Local Domestic Helpers introduced in March 2002 has achieved considerable success in attracting job vacancies for local domestic helpers. In its first seven months of operation, the scheme registered over 17,000 job vacancies. We will monitor progress of the scheme and work closely with the ERB to further enhance its effectiveness.

Levy on Electrical and Mechanical Works of the Construction Industry

13. In response to a request from the industry, we will propose an amendment to the Industrial Training (Construction Industry) Ordinance in the current legislative session to enable a levy to be imposed on the electrical and mechanical works of the construction industry. This would enable enhanced training and trade testing to be provided for the electrical and mechanical trade.

Apprenticeship Scheme

14. The VTC has carried out a comprehensive review of the Apprenticeship Scheme with recommendations for making the Scheme more flexible and suited to present day needs. To give effect to the recommendations, we shall have to amend the Apprenticeship Ordinance and the Apprenticeship Regulations and hope to introduce the bill and amendment regulations in 2003.

Skills Upgrading Scheme

15. In response to the ongoing restructuring of our economy, we launched the "Skills Upgrading Scheme" in September 2001 to provide focused skills training for in-service workers with secondary or lower education levels to upgrade their skills so as to maintain their competitiveness in the labour market.

16. The Scheme now covers thirteen industries including printing, Chinese catering, retail, import and export trade, transportation, wearing apparel/textile, tourism, hairdressing, property management, insurance, electrical and mechanical engineering trade, hotel and real estate agents. As at end October 2002, over 790 classes involving over 14 000 trainees have been held.

17. We have begun work on evaluating the overall effectiveness of the Scheme and plan to make recommendations early next year regarding its future.

IT Assistant Training

18. We have provided over 2 300 training places under the IT Assistant Training Programme from 2000-01 to 2001-02 for training of manpower at the junior assistant level. Despite the economic downturn, the employment rate of ITAT graduates remained high at over 70%. We will continue to provide 1 000 training places in the IT Assistant Courses in the coming year to meet the needs of the IT sector for trained manpower.

Membership of the Manpower Development Committee

Name	Organization
<u>Chairman</u>	
Professor Arthur Li Kwok-cheung	Secretary for Education and Manpower
<u>Members</u>	
Mrs. Fanny Law Fan Chiu-fun	Permanent Secretary for Education and Manpower
Mr Tang Kwong-yiu	Government Economist
Mr Victor Stanley Apps	Employers' Federation of Hong Kong
Dr Robin Chan Yau-hing	Chinese General Chamber of Commerce
Professor Leonard Cheng Kwok-hon	Hong Kong University of Science and Technology
Mr Christopher Cheng Wai-chee	Hong Kong General Chamber of Commerce
Miss Christine Fang Meng-sang	Hong Kong Council of Social Service
Mr Patrick Ho Pak-tai	Hong Kong Continuing Professional Development Alliance
Mr Lee Kai-ming	Federation of Hong Kong and Kowloon Labour Unions

Professor Liu Pak-wai	Chinese University of Hong Kong
Mr Victor Lo Chung-wing	Federation of Hong Kong Industries
Dr Dennis Sun Tai-lun	Hong Kong Management Association
Mr Tam Yiu-chung	Hong Kong Federation of Trade Unions
Mr Michael Tien Puk-sun	Employees Retraining Board
Mr Yeung Kai-yin	Vocational Training Council
Professor Enoch Young Chien-ming	Federation for Continuing Education in Tertiary Institutions