

LEGISLATIVE COUNCIL PANEL ON MANPOWER

Amendment of the Apprenticeship Ordinance and the Apprenticeship Regulations

PURPOSE

This paper informs Members of the proposed amendments to the Apprenticeship Ordinance and the Apprenticeship Regulations to bring into effect recommendations to enhance the attractiveness of the Apprenticeship Scheme to both young people and employers and to gear the Scheme to better meet the needs of industry and commerce.

BACKGROUND

2. The Apprenticeship Ordinance (the Ordinance) was enacted in 1976 to promote and regulate the employment of apprentices in certain trades and occupations. It governs the training and employment of registered apprentices. Anyone aged between 14 and 18 who is employed in a designated trade and who has not completed an apprenticeship must enter into an apprenticeship contract with the employer. This contract must be registered with the Director of Apprenticeship (the Director) who is currently the Executive Director of the Vocational Training Council (VTC). Voluntary registration is also open to apprentices over 18 years of age in designated trades or apprentices in non-designated trades. An apprenticeship normally lasts three to four years.

3. At present, a total of 43 trades have been specified as designated trades under the Ordinance. As at end February 2003, about 4000 apprentices were registered under the apprenticeship scheme.

4. Since the late 1980's, the number of registered apprentices has declined from a peak of 10 000 to the current level of 4 000 due to a

number of reasons. First, with the migration of the manufacturing sector to the Mainland, there has been a shrink in the number of apprenticeship opportunities in certain designated trades, e.g. clothing machine mechanic, metal furniture maker and tool and die maker. Second, with the increase in number of secondary 4 school places, there are more education opportunities for young secondary 3 school leavers. Although the Apprenticeship Scheme offers good employment opportunities, it is less popular with youngsters as the training periods last three to four years. The poor economic situation in recent years has also reduced the number of apprenticeship opportunities available for young apprentices.

5. Nevertheless, the Apprenticeship Scheme is an effective scheme to help young people receive proper systematic training for employment. It also provides a viable and alternative career pathway for those less academically inclined secondary school leavers. According to a survey conducted by the Office of the Director of Apprenticeship, among the 1615 apprentices graduated in 2001, 94% secured employment in the field of their apprenticeship. For employers and the community as a whole, the Apprenticeship Scheme helps provide a stable supply of competent skilled labour in an effective and economical manner.

6. Despite the migration of the manufacturing sector to the Mainland, there will still be opportunities for apprenticeships in areas such as electrical fitter, refrigeration/air-conditioning mechanic and vehicle mechanic. There will also be potential to develop apprenticeship training in the area of building management services, computing/information technology, as well as service industries like beauty care and hairdressing.

Review of the Apprenticeship Scheme

7. In order to introduce measures to revitalise the Apprenticeship Scheme with a view to attracting more young people as well as employers to participate, the VTC has commissioned a consultancy review on the Scheme. In summary, the consultancy

review recommended, and the VTC endorsed, four areas where improvements should be made. These included:

- a) strengthening promotional efforts to enhance the public image of apprentices;
- b) modifying the Apprenticeship Scheme to make it more flexible and competence-based;
- c) restructuring and updating the complementary courses for apprentices to better meet the changing needs of industries; and
- d) enhancing in-service training for staff implementing the Apprenticeship Scheme to lift the quality of services delivered to the apprentices and employers.

(a) Strengthening promotional efforts

8. The VTC has stepped up promotional efforts to publicise the Scheme including visiting schools and community centres to introduce the Scheme to students and young people, visiting employers to solicit their participation in the Scheme, organising exhibitions and competitions to promote public awareness of the Scheme and disseminating printed materials.

(b) Modifying the Apprenticeship Scheme

9. The VTC plans to introduce the following modifications to make the Scheme more flexible and competence-based:

- (i) to relax the minimum period required to be served by an apprentice in a designated trade from three years to one year. This would enable more trades to participate in the Scheme;
- (ii) to allow an apprenticeship in a trade to consist of one or more apprenticeship contracts. This would facilitate accumulation and transfer of training from one employer to another;
- (iii) to allow more capable apprentices to complete their training earlier by undergoing an exit test after serving a minimum of

- three quarters of the apprenticeship period;
- (iv) to allow the Director of Apprenticeship to delegate some of his functions to suitable organizations;
 - (v) to streamline the procedures for designation of trades by transferring the relevant authority from the Chief Executive to the Secretary for Education and Manpower;
 - (vi) to introduce exit tests upon completion of apprenticeship to ensure that the training is more credible and capable of quality assurance.

(c) Restructuring and updating the complementary courses

10. The VTC has set up internal task groups to review and update the curriculum of relevant complementary courses for apprentices. Meanwhile, training in IT skills, communication and soft skills have been added to some of these courses.

(d) Enhancing in-service training for staff

11. The VTC has organised specific in-service training to enhance the assessment techniques and promotional skills of relevant staff.

12. Most of the above improvements have already been implemented by the VTC. However, the proposed changes in paragraphs 9(i)(iii)(iv)(v)(vi) will require amendments to be introduced to the Apprenticeship Ordinance and the Apprenticeship Regulations.

LEGISLATIVE AMENDMENTS PROPOSED

13. Regarding the relaxation of minimum period of apprenticeship (paragraph 9 (i) above refers), we propose to amend the relevant section of the Apprenticeship Regulations to change the minimum apprenticeship period from three years to one year.

14. Regarding the conducting of exit trade test (paragraph 9 (iii) and (vi) above refer), legislative provisions will be added to the Apprenticeship Regulations to allow apprentices who have completed three-quarters of their apprenticeship to sit for the exit trade tests. Provisions will also be added to stipulate that employers will pay for the fee the first time an apprentice takes the tests as well as specifying other related procedural matters.

15. On the delegation of the functions of the Director of Apprenticeship to other organisations (paragraph 9 (iv) above refers), amendments will be made to relevant sections of the Apprenticeship Ordinance to give the Director authority to appoint as well as delegate relevant functions to an organisation.

16. Regarding the authority of the designation of trades (paragraph 9 (v) above refers), we propose to amend the Apprenticeship Ordinance to transfer the authority from the Chief Executive to the Secretary for Education and Manpower.

17. We also propose to amend relevant sections of the Apprenticeship Ordinance to increase monetary fines and penalties which were set in the 1970's to levels more consistent with present day values. We propose that the levels of fine should make reference to Schedule 8 to the Criminal Procedure Ordinance (Cap. 221).

WAY FORWARD

18. We aim to introduce the relevant amendment Bill to the Legislative Council in early July 2003.

ADVICE SOUGHT

19. Members are invited to comment on the proposed amendments to the Apprenticeship Ordinance and the Apprenticeship

Regulationss as set out in paragraphs 13 to 17 above.

Education and Manpower Bureau

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