

**LegCo Panel on Manpower  
Review of the Continuing Education Fund**

**Purpose**

This paper reports to Members the outcome of a review on the Continuing Education Fund (CEF) and the decision to expand its coverage to include additional sectors and skill domains.

**Background**

2. The Finance Committee of the Legislative Council approved in April 2002 a commitment of \$5,000 million to launch the CEF. The aim of the CEF is to encourage people with learning aspirations to upgrade themselves by pursuing continuing education and training programmes.

3. To ensure that the Fund is used in a meaningful manner to bring about benefits to the community at large and to enhance Hong Kong's overall competitiveness, it was decided that the Fund should be used to subsidise training which would be conducive to the economic development of Hong Kong. As such only courses from economic sectors with high growth potential and manpower requirement or skill domains where our workforce may be deficient have been covered under the CEF. Based on the advice from prominent academics and business figures, it was further decided that the following economic sectors and skill domains would be covered: logistics, financial services, China business, tourism, language, design and interpersonal and intrapersonal skill for the workplace.

4. Application for the CEF commenced in June 2002. As at 15 December, there were about 2 000 approved courses and over 62 800 approved applicants under the CEF. Given the \$10,000 entitlement per applicant, the total amount of fund committed to date is approximately \$628 million.

5. In the July meeting of the Panel last year, we briefed members of the proposal to relax the eligibility criteria of the CEF to include degree holders. At the same meeting, we undertook to consider whether and how the coverage of the CEF could be extended to benefit more sectors and cover more skill domains.

6. At the meeting in July, some members suggested to extend the coverage of the Fund to include creative industries and the continuing professional development (CPD) curriculum of medical and health sector. Separately, on other occasions, there have also been suggestions from the public and course providers to include the following economic sectors or skill domains in the CEF : digital media, creative and cultural activities, biomedical technology, as well as training in other foreign languages.

## **Considerations**

7. We have carefully considered the various suggestions and have sought advice from prominent academics and business figures.

8. Basing on the principles spelt out in paragraph 3 above, we have decided on the following :

- (i) to accept the proposal to include creative industry, which will cover advertising, film and video, television and video and digital entertainment, into the CEF;
- (ii) to expand the coverage of the existing economic sector “China Business” to include training in business management and to rename the economic sector as “Business Services” to reflect the wider scope; and
- (iii) to include training in three additional foreign languages, namely French, German and Japanese, under the existing skill domain “language”.

9. As regards the suggestion of including CPD courses under the CEF, our view is that it should be the responsibility of the professionals to upkeep their professional knowledge and the limited resources of the CEF should be used to train our workforce at large in selected economic sectors and skill domains. Accordingly, we have not included the CPD courses for the medical and health sector in the CEF. We have also reconsidered the case for including information technology courses under the CEF and have decided that as many of these courses can already be covered under the respective economic sectors of the CEF, it would not be necessary to create a separate skill domain for the purpose.

10. We have studied the survey results of “Manpower Projection 2007” and two other related surveys, namely “Household Survey on Employment Concerns and Training Needs” and “Establishment Survey on Manpower Training and Job Skill Requirements” and have come to the conclusion that the proposed coverage of the CEF will have addressed the main economic sectors

with high growth potential and manpower requirement or skill domains where our workforce may be deficient.

11. We shall continue to monitor the utilisation of the Fund and review the need for opening up more sectors or domains from time to time having regard to the training requirement of our workforce.

### **Way Forward**

12. We have established the respective Focus Groups to draw up the competency requirements for these sectors. We are also drawing up the relevant benchmark examinations for the three additional foreign languages to be covered under the CEF. We aim to publicise the launch of the new sectors/domains and their respective competency requirements to the general public and course providers in January 2004. It is expected that courses under the new sectors/domains will be available for application by the second quarter of 2004.

13. Members are invited to note the extension of the coverage of the CEF as set out in paragraphs 8 above.

Education and Manpower Bureau  
January 2004