

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

**HEAD 156 – GOVERNMENT SECRETARIAT :
EDUCATION AND MANPOWER BUREAU
Subhead 003 Recoverable salaries and allowances (General)**

Members are invited to recommend to Finance Committee the creation of the following supernumerary post for two years with effect from 1 August 2006 up to 31 July 2008 to enable the secondment of a civil servant to the Employees Retraining Board –

1 Administrative Officer Staff Grade B
(D3) (\$127,900 - \$135,550)

PROBLEM

It is necessary for the Government to second a senior civil servant with sufficient experience and exposure to the Employees Retraining Board (ERB) to take up the post of Executive Director (ED), pending the completion of a strategic review of the ERB covering its operation as well as its future roles and responsibilities.

PROPOSAL

2. The Secretary for Education and Manpower proposes to create a supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3) in the Education and Manpower Bureau (EMB) for two years with effect from 1 August 2006 to provide for the secondment of a civil servant to the ERB as its ED.

/JUSTIFICATION

JUSTIFICATION

3. The ED/ERB is responsible for discharging the statutory functions of the ERB under the Employees Retraining Ordinance (ERO) (Cap. 423), assisting the Board in developing policies, strategies and programmes under the Employees Retraining Scheme (ERS), and overseeing the day-to-day management of the Executive Office of the ERB. To reflect the level and complexity of responsibilities, the Board has determined the remuneration package of the ED/ERB with reference to that of a D3 officer in the civil service since 1995.

Strategic Review of the ERB

4. Hong Kong has been undergoing economic restructuring in the past decade, which has resulted in rapid changes in the local industrial and employment landscapes. The ERB was set up in 1992 primarily to provide retraining for unemployed persons and displaced workers aged 30 and above with no more than lower secondary education. As the main agency providing retraining in Hong Kong, the ERB has to constantly review its policies, strategies and programmes to ensure that they keep pace with the socio-economic changes and remain responsive to the requirements of both the industries and the labour force. A number of developments in recent years have necessitated a strategic review of not just the operation and delivery of service of the ERB, but also its future roles and responsibilities.

5. Firstly, to foster an environment conducive to lifelong learning, the Government decided in 2004 to establish a cross-sectoral Qualifications Framework (QF) and an associated quality assurance mechanism for Hong Kong. The QF, which comprises a seven-level hierarchy of qualifications, seeks to enable the development of flexible and diverse progression pathways for learners/workers with multiple entry and exit points. Under the QF, Industry Training Advisory Committees (ITACs) are set up to, among other things, develop Specifications of Competency Standards (SCSs) for individual industries; and the SCSs should become the basis for curriculum design of the related training programmes. So far, ITACs have been set up for 11 industries and the development of SCSs is underway.

6. All training programmes subvented by the EMB, including the retraining courses provided by the ERB, will have to be registered and recognised under the QF in future. The full-scale implementation of the QF will thus have an important bearing on the work of, and services provided by, the ERB. As the main agency providing retraining services in Hong Kong, the ERB should

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consider how to strengthen its institutional capability to ensure the delivery of quality retraining courses that can meet the SCSs specified by the industries and gain recognition under the QF. In particular, consideration should be given to enabling retrainees to accumulate credits for acquiring higher and/or broader qualifications under the QF and hence further enhance their employability. To take forward the work arising from the QF, the ED/ERB needs to have a solid understanding of the QF policy and its implementation, and to maintain close liaison with the EMB and ITACs.

7. Secondly, since the establishment of the ERB, the EMB has launched various training schemes and programmes, such as skills upgrading for in-service workers, sector-specific training, continuing education for the general community as well as employment-related training for non-engaged youths. In some cases, the EMB is providing secretariat support for the training schemes and serves as their executive arm. Moreover, industry representatives are involved in various bodies or committees set up to advise on the direction, design and delivery of the training courses for the respective industries. There is scope for better coordination in the planning and delivery of various schemes and programmes to streamline procedures, synergise efforts and enhance the outcome. For example, the ERB may take on the skills upgrading of existing workers. With a wide network of contacts in various trades, the ERB is also well-positioned to provide inputs to the SCSs of relevant sectors under the QF.

8. The EMB, therefore, considers it necessary to conduct a strategic review not just to examine the current state of operation and services of the ERB, but also to map out its future roles and responsibilities in the light of the developments and suggestions outlined in paragraphs 5 to 7 above and the changing social, economic and employment environment. The review will cover, among other things, whether the ERB should redefine its target group (e.g. in terms of age and education attainment), expand/refocus its services (e.g. providing skills upgrading training) and identify new retraining opportunities to meet the increasing and changing demands of our workers. The review should also provide recommendations on whether and how the organisational structure, business model and institutional capabilities of the ERB should be modified or enhanced to support its future roles and responsibilities. The ED/ERB will be responsible for drawing up a set of preliminary proposals for consideration by the ERB, EMB and other relevant parties.

/Imminent

Imminent Operational Requirements

9. At the Board meeting held on 24 January 2006, the former ED/ERB informed the Board that he would retire from the ERB upon the expiry of his contract on 1 April 2006. Given the short notice and the fact that it would take time for a new ED recruited from outside to settle in the job and conduct the strategic review mentioned above, the EMB suggested and the ERB agreed that it would be necessary to come up with an interim arrangement to ensure the continued smooth functioning of the ERB's business and its Executive Office. More importantly, it is considered that the outcome of the strategic review, which will touch upon issues such as organisational structure and institutional capabilities, would have a bearing on the competencies and attributes required of the candidate to be appointed as ED/ERB, and hence it would be advisable to defer the open recruitment until the completion of the strategic review. The ERB has no objection to the secondment of a civil servant from the Government to fill the post of ED/ERB as an interim arrangement.

Proposed Secondment

10. The ED/ERB will play an instrumental role in helping the ERB to carry out the strategic review. We consider that a civil servant secondee with extensive working experience in various government bureaux and departments, a good grasp of management issues at a senior level and strong leadership skills would be required. As an officer with solid administrative experience and familiar with the government machinery, the civil servant secondee will greatly facilitate the review process which will have to take into account the relevant government policies (e.g. the manpower development and QF policies) and involve discussions with various government bureaux and departments. The secondment would also bring about cross-fertilisation of knowledge and experience between the Government and the ERB.

11. As the strategic review involves detailed discussions with numerous stakeholders and deliberations on a wide range of policy, legal and business issues, we envisage that the review which will commence in August 2006 may take 12 to 18 months to complete. In order that the secondee can steer and oversee the review throughout, engage all the relevant stakeholders in the process and deliberate fully with them on the recommendations, we propose to create a supernumerary AOSGB (D3) post for two years with effect from 1 August 2006 to allow sufficient time for completing the review and for recruiting a suitable successor upon completion of the review. We also propose to rank the supernumerary post at the same level as that of the former ED/ERB.

12. To ensure the continued smooth functioning of the ERB upon the former ED/ERB's departure on 1 April 2006 and to enable the strategic review to start without delay, a civil servant is temporarily filling the ED/ERB post with effect from 1 April 2006, pending the Finance Committee's approval of the proposed creation of the supernumerary AOSGB (D3) post.

Other Alternatives

13. For reasons set out in paragraph 9 above, open recruitment had not been pursued at this juncture. The alternative of promoting suitable officers from within the Executive Office of the ERB to fill the ED post has also been considered, but is found not feasible as no suitable candidate from within the Executive Office of the ERB is available to fill the ED post.

Encls. 1
&. 2

14. An organisation chart of the ERB and its Executive Office is at Enclosure 1. The job description of ED/ERB is at Enclosure 2.

FINANCIAL IMPLICATIONS

15. The additional notional annual salary cost at mid-point of the proposal is \$1,580,400. The full annual average staff cost, including salaries and staff on-cost, is \$2,250,000. We will recover the full cost, including the staff on-cost, of the proposed supernumerary post from the ERB.

CONSULTATION WITH LEGISLATIVE COUNCIL PANEL

16. We consulted the Legislative Council Panel on Manpower at its meeting on 30 May 2006. Members had no objection to the staffing proposal. Some Members suggested that a new ED/ERB should be selected through open recruitment upon the completion of the strategic review. Some Members noted that the proposed supernumerary post was not covered in ECI(2005-06)6 on planned creation/deletion of civil service directorate post in the 2005-06 legislative session issued by the Administration in November 2005 though they understood that the retirement of the former ED/ERB had not been envisaged at the time ECI(2005-06)6 was prepared.

/BACKGROUND

BACKGROUND

17. The ERB was established in 1992 under the ERO (Cap. 423) to provide retraining to eligible workers to enable them to acquire new skills and to adjust to the changing needs of the economy and employment market. Through the ERS, the ERB funds a territory-wide network of approved training providers to provide vocational training and retraining courses. There are currently 58 training providers under the ERS.

18. The Board comprises a Chairman and a Vice-chairman who are non-officials appointed by the Chief Executive, as well as a total of not more than 15 representatives of employers, employees, government bureaux and departments and training bodies. The Executive Office of the Board, which provides administrative support and implements the Board's decisions, is headed by the ED/ERB. There are currently 87 staff members in the Executive Office.

19. Funded by the recurrent subvention provided by the Government (\$382 million in 2006-07), the Employees Retraining Fund and the course fees received, the ERB has an operating budget of about \$400 million and plans to provide over 100 000 retraining places in 2006-07.

ESTABLISHMENT CHANGES

20. The establishment changes in the EMB for the last two years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 June 2006)	As at 1 April 2006	As at 1 April 2005	As at 1 April 2004
A	32 + (2)#	32 + (4)	32 + (3)	32
B	1 210	1 209	1 198	1 271
C	4 672	4 675	4 748	4 852
Total	5 914 + (2)	5 916 + (4)	5 978 + (3)	6 155

Note:

A – ranks in the directorate pay scale or equivalent

B – non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent

C – non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent

() – number of supernumerary directorate posts

– as at 1 June 2006, there is no unfilled directorate post in EMB

CIVIL SERVICE BUREAU COMMENTS

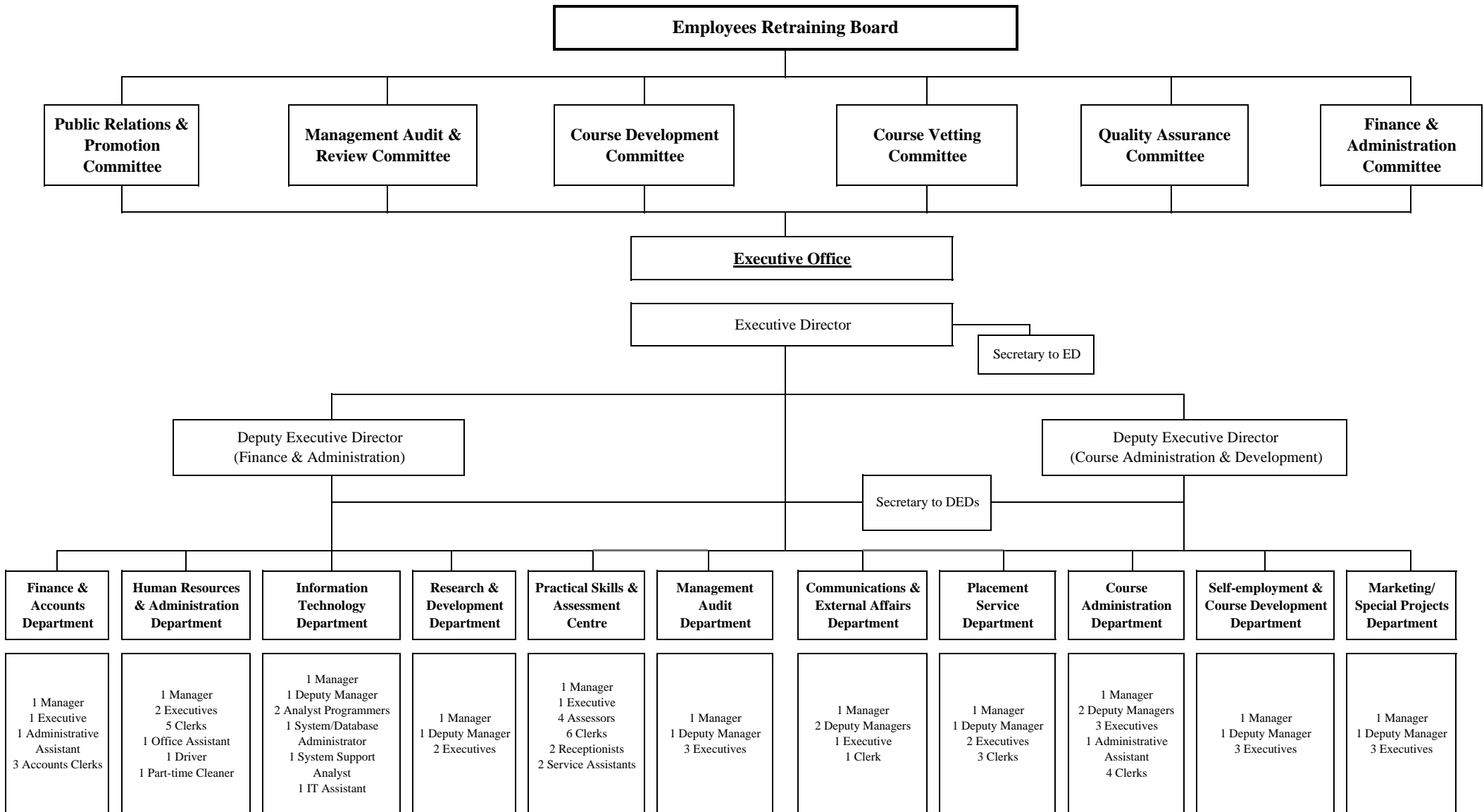
21. The Civil Service Bureau considers that the staffing proposal contained in this paper is functionally justified. The grading and ranking of the proposed supernumerary post is appropriate, having regard to the level and responsibilities.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

22. As the post is proposed on a supernumerary basis, its creation, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

Education and Manpower Bureau
June 2006

**Organisation Chart of the Employees Retraining Board and its Executive Office
(as at 1 April 2006)**



Job Description
Executive Director of Employees Retraining Board

Rank : Administrative Officer Staff Grade B (D3)

Major Duties and Responsibilities –

The Executive Director (ED) of Employees Retraining Board (ERB) reports directly to the Chairman of the Board. ED/ERB has the following duties and responsibilities -

- I. To discharge the functions of the ERB under the Employees Retraining Ordinance. These include -
 - (a) to oversee the operation and management of the Employees Retraining Scheme through a network of training and services providers;
 - (b) to develop, implement and monitor the Board's policies, strategies, and programmes for retraining of employees;
 - (c) to administer the Employees Retraining Fund with annual recurrent subvention from Government and other sources of revenue (e.g. course fees and levy on employers of imported labour). To direct, coordinate and monitor funding and delivery of quality retraining courses and services; and
 - (d) to direct and oversee the operation of the Board's Executive Office (including skills assessment centres), retraining resources centres, as well as district offices of the Integrated Scheme for Local Domestic Helpers.

- II. To assist the Board to conduct a strategic review of the operation, as well as the future roles and functions of the ERB having regard to -
 - (a) the development of the Qualifications Framework and its associated quality assurance mechanism; and
 - (b) the changing social and economic environment and requirements of the industries.
