

**For discussion on
30 May 2006**

**Panel on Manpower
Legislative Council**

**Creation of a Supernumerary Post for Secondment as
Executive Director, Employees Retraining Board**

Purpose

This paper seeks Members' views on the proposal to create a supernumerary post in the Education and Manpower Bureau (EMB), at the level of Administrative Officer Staff Grade B (AOSGB) (D3), for two years to enable the secondment of a civil servant to the Employees Retraining Board (ERB) as its Executive Director (ED).

Problem

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

Proposal

3. The Secretary for Education and Manpower (SEM) proposes to create a supernumerary post of AOSGB in the 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

4. 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 (EO) 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 Government since 1995.

Strategic Review of the ERB

5. 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 the conduct of a strategic review of not just the operation and delivery of service of the ERB, but also its future roles and responsibilities.

6. First, 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 (SCS) for individual industries; and the SCS 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 SCS is underway.

7. 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 consider how to strengthen its institutional capability to ensure the delivery of quality retraining courses that can meet the SCS 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 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.

8. 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 to continuing education for the general community and 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 the 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 the 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 input to the SCS of relevant sectors under the QF.

9. The Administration, therefore, considers it necessary to conduct a strategic review not just to examine its 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 6 to 8 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 organization 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 Operational Requirements

10. At the Board meeting held on 24 January 2006, the former ED/ERB tendered notice 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 Government 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 the EO. More importantly, it is considered that the outcome of

the strategic review, which will touch upon issues such as organization 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

11. To ensure the continued smooth functioning of the ERB upon the former ED/ERB's departure and to enable the strategic review to start without delay, the Government seconded a civil servant to fill the ED/ERB post for six months with effect from 1 April 2006. As an officer with strong administrative experience and familiar with the Government machinery, the civil servant secondeed would greatly facilitate the review process which will have to take into account the relevant Government policies (e.g. the manpower and QF policy) 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.

12. 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 may take 12 to 18 months to complete. In order that the secondeed can steer and oversee the review throughout, engage all the relevant stakeholders in the process and deliberate fully with them on the recommendations, it is proposed that a supernumerary AOSGB (D3) post be created with effect from 1 August 2006 for two years to allow sufficient time for completing the review and for recruiting a suitable successor towards the end of the secondment. The proposed supernumerary post is pitched at the same level as that of the former ED/ERB.

Other Alternatives

13. For the reasons set out in paragraph 10 above, open recruitment was not pursued. The alternative of promoting suitable officers from within the EO to fill the ED post has been considered, but is found not feasible as no suitable candidate from within the EO is available to fill the ED post.

14. An organisation chart of the EO of the ERB and a list of the responsibilities of the ED/ERB are at Annexes A and B respectively.

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 \$2,291,580. We will recover the full cost, including the staff on-cost, of the proposal from the ERB.

Background Information

16. The ERB was established by the Government 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.

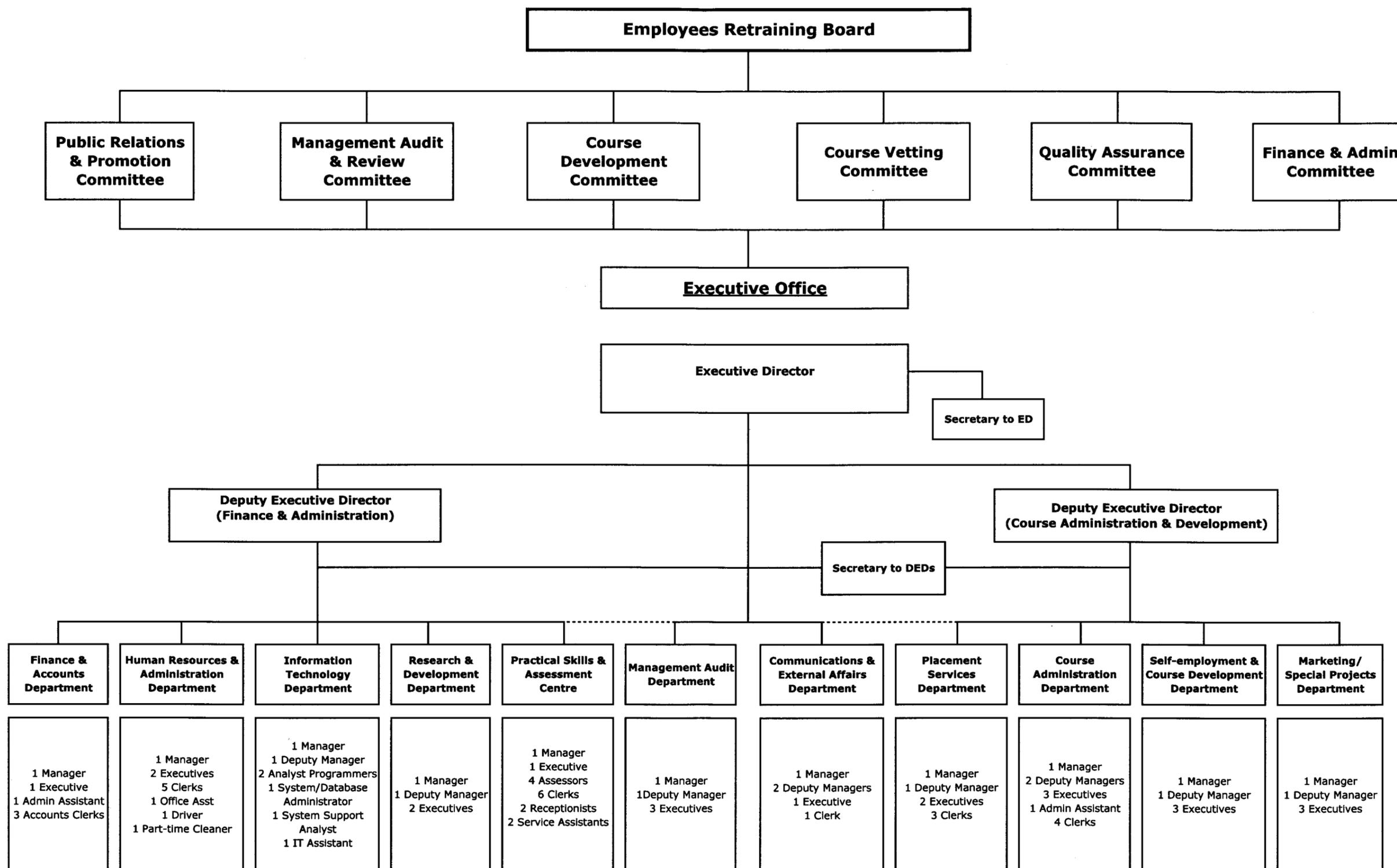
17. The Board comprises a Chairman and a Vice-Chairman who are non-officials appointed by the Chief Executive, as well as a total of not more than 15 representatives of employers, employees, Government departments and training bodies. The EO of the Board, which provides administrative support and implements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

18. Funded by the recurrent subvention provided by the Government (\$382 million in 2006-07), the ERF 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.

Advice Sought

19. Members are invited to advise on the proposal as set out in paragraph 3 above, which will be considered by the Establishment Subcommittee on 14 June 2006.

**Organisation Chart of the Employees Retraining Board
(as at 1 April 2006)**



**Schedule of Duties of the Executive Director
of the Employees Retraining Board**

Major Duties and Responsibilities

- I. To discharge the functions of the Employees Retraining Board 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 service 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 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 centre), retraining resource 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.