Legislative Council Panel on Manpower

Future Directions of the Employees Retraining Board

Purpose

This paper seeks Members' views on the future directions of the Employees Retraining Board (ERB).

Background

- 2. The Chief Executive (CE) announced in his 2007-08 Policy Address that the Employees Retraining Scheme (ERS) operated by the ERB would be expanded to cover young people aged 15 29 and people with education level at sub-degree or below and that the ERB was conducting a strategic review with a view to upgrading its services and operation.
- 3. The eligibility criteria of the ERS, which were previously limited to those aged 30 or above with education level at Secondary 3 or below, have been relaxed since 1 December 2007 as set out in paragraph 2 above.

Future Directions of the ERB

- 4. The ERB has also completed its strategic review and released a consultation document on its future directions on 24 January 2008. The consultation document has set out comprehensive proposals on how the ERB would expand the scope and enhance the quality of its training and retraining services. The consultation document is at <u>Annex</u>.
- 5. In brief, the future directions of the ERB as mapped out in the consultation document will include the following
 - (a) In line with the CE's announcement in his 2007-08 Policy Address, starting from 1 December 2007, the target group of the ERS has been extended to cover all people aged 15 or above, with education level at sub-degree or below. The ERB will offer training programmes that are more diversified and geared

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towards market needs. More targeted training services and assistance will be provided in line with the above extension. Special attention will also be given to help the disadvantaged groups.

- (b) The quality assurance mechanism of the courses under the ERS will be strengthened to ensure that they would be able to satisfy the requirements of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and be listed on the Qualifications Register and recognized under the Qualifications Framework (QF). Training courses to be offered by the ERB will range from QF Level One to Level Four;
- (c) The ERB will bring in more quality training bodies and enhance the training quality and content. Apart from training on vocational skills, training programmes will also include training on generic skills encompassing foundation skills such as languages, numeracy, and information technology, as well as training to enhance personal attributes and life skills. Workplace attachment may be incorporated as part of the training programmes as appropriate to enhance the employability of the graduates; and
- (d) Collaboration with relevant sectors in the community will be strengthened to promote career-oriented and market-driven training programmes.
- 6. The ERB is expected to take on a new strategic role and offer more comprehensive and diversified training and retraining services for the local workforce in future. The ERB will also develop a rebranding strategy and consider ways to promote a new image to enhance public awareness of its expanded role and services.

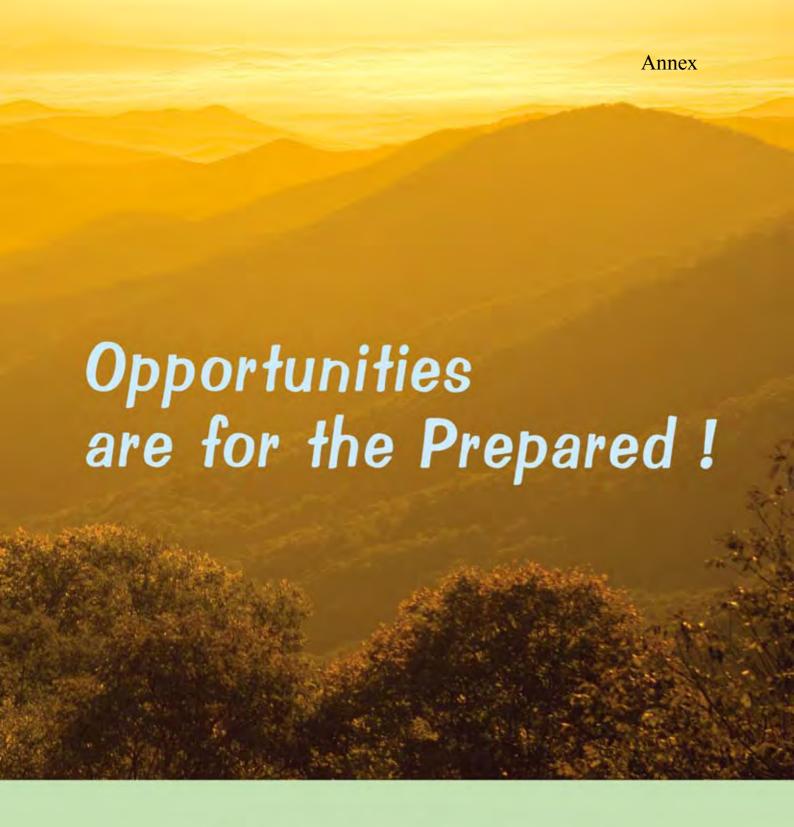
Consultation Plan and Way Forward

7. The consultation exercise commenced on 24 January 2008 and will last until end-March 2008. During the consultation period, the ERB will organize consultation sessions to collect the views of stakeholders (including employers and trade associations, professional bodies, labour unions, training providers and non-governmental organizations) on the review proposals. Taking into account the views of stakeholders, the ERB will submit a report on its final recommendations to the Government.

Advice Sought

8. Members are invited to note and comment on the future directions of the ERB as set out in the consultation document.

Labour and Welfare Bureau February 2008



Consultative Document on the Future Directions for the Employees Retraining Board

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Chairman's Foreword

Dear Friends,

The 21st century witnesses the coming of a new era. Fundamental change has occurred to the manpower demand as our society, economy and technology rapidly evolve. To cope with this changing environment, the Employees Retraining Board (the "ERB") has prepared this Consultative Document with a view to outlining our thoughts on our new directions for your consideration. We sincerely invite your input on how we can realize the utmost benefit of investing in Hong Kong's human capital with the available resources.

Over the years, the ERB had been committed to serving the unemployed aged 30 or above and with an education attainment of secondary three or below. In accordance with the decision of the Chief Executive in Council in October 2007, our service targets have been expanded since 1st December, 2007 to cover those Hong Kong residents at age 15 or above and with education up to sub-degree level. As we open up our training courses to individuals meeting the new eligibility criteria, our training portfolio will have to be re-examined and gradually expanded to cover new service targets and new tasks with much wider scope, including manpower training and continuous upgrading for people in different trades. We are stepping onto a new era.

As the Chairman of the ERB, I together with all the other Board Members fully support this change and believe that this is essential and promptly answering to the needs of the society. The Chief Executive pointed out in his 2007-08 Policy Address that one of his principal goals is: "Promoting social harmony under the concept of helping people to help themselves:.....developing soft infrastructure on all fronts including expanding retraining programmes to help the middle class and the grassroots upgrade their skills - this will improve their competitiveness in an ever-evolving labour market."

In the past, we aimed to provide timely skill training for the unemployed with the clear objective of helping them getting jobs. Through active sourcing of potential job markets and upgrading of quality of training, we had constantly strived to expand job opportunities for our graduates and improve our service provision. Yet the services worked only as much as to solve the short-term employment problems of individuals, and there was lack of consideration for sustainability and continuous development of individuals in a holistic manner. Given the rapid development of our technology today, this consideration is important and individuals would need to be able to pursue life-long learning, and to be able to acquire knowledge in breadth as well as depth. Manpower development should become the perspective in the design of training. For this reason, it is necessary for the ERB to adjust its service orientation and "sustainability" should be the key. Thus while we embark on a new journey by having our scope and target group expanded, we shall focus on fostering of sustainable employment, greater competitiveness, and upward mobility for our working population, so that our economy and our work-force would thrive in the momentum of globalisation.

To better reflect the new mission and scope of services of the ERB, we propose to rename the Employees Retraining Scheme as "Manpower Development Scheme". Semantically, the term "manpower development" denotes "training" as well as "retraining". In essence, the ERB shall operate the "Manpower Development Scheme" in offering vocational training for the unemployed. We shall also provide skill upgrading courses for the employed and launch training on generic skills (including betterment of personal attributes and foundation skills) to meet the needs of the working population. Progression ladders will be mapped out for fostering development and nurturing of manpower among different trades. Considering the continuous development and improvement of our services, I believe that the ERB will be able to provide a more comprehensive mechanism for manpower training and development in time. This may also push the development of manpower to a higher level.

This Consultative Document provides a platform to induce discussion over the future directions for the ERB. I cordially invite you to study this document and honour us with your invaluable views. Let us work together for the betterment of manpower development in Hong Kong, that we may instil a more proactive community to embrace all kinds of challenges ahead.

Michael Tien Puk-sun, BBS, JP Chairman, Employees Retraining Board

Summary

The wave of globalisation, the reality of a knowledge-based economy and the opportunities generated by the rapid rise of our nation's economy form the external environment that Hong Kong faces. Yet, internally Hong Kong encounters problems such as an aging population, the continuous decline of birth rate and the quality of manpower.

Our need to change

- 1. Knowledge is becoming more and more important. The development of human capital plays a vital role in the development of our economy. Our work-force needs to be able to work well with new technologies, pursue continuous upgrading and innovation to maintain its competitive advantages. The need of investing in education and skills to foster economic growth and global competitiveness is more urgent than ever. Hong Kong should affirm its development strategy and positioning in order to draw up an effective human resource policy to meet the manpower demand. Such strategic positioning should also fully capitalize on the opportunities offered by our nation's development.
- 2. In the past, the ERB aimed to provide timely skill training for the unemployed with the clear objective of helping them getting jobs. Yet the services worked only as much as to solve the short-term employment problems of individuals, and there was lack of consideration for the overall quality of manpower. The services also failed to serve as a long-term solution to the problem of mismatch between skills possessed and jobs available resulted from economic restructuring. Now that the economy of Hong Kong is recovering and the unemployment rate has shown a downward trend, the ERB should seize the opportunity to review its positioning and strategies. Amid the fast changing environment in the 21st century, we need to

- ask how we could function even better to assist the local working population in embracing challenges ahead.
- 3. While our training services will be expanded, our training objectives would also be extended not only to assist the unemployed to seek employment, but also to prepare them to cope with the complex working environment and the fast-evolving technologies, so that they can maintain their employability and productivity in the everchanging market. Through enhancement of quality in various aspects (including vocational skills, personal attributes and foundation skills), individuals would become more proactive and confident in facing changes. As they derive greater satisfaction from their jobs, they may have better relationships with their families.

Work is more than monetary rewards, it has a more profound meaning. Through apt training and employment support, we hope the unemployed would be able to achieve "Self-reliance" and "Self-improvement", subsequently establishing "Self-esteem" and "Self-confidence". We hope to set these spirits into motion, promote a positive and proactive attitude, enhance the quality of local working population, foster continuous enhancement and upward mobility.

Our Vision

"To provide flexible, quality and resilient work-force for the knowledge-based economy of Hong Kong."

- 4. Through provision of appropriate training, the ERB aims to improve the skill level of the local working population, enabling individuals in the local work-force to commit to work, enjoy their work, ever seek improvement, and be multi-skilled. For the work-force at grassroots level, we aim to provide training and retraining opportunities for them to upgrade their vocational skills, personal attributes, and foundation skills. For the young people with little work experience and training, we shall focus on nurturing their motivation to learn, positive attitude and understanding of work ethics and values. Career counselling, career planning, betterment of personal attributes, and work experience would be core elements of training. For the working population with sub-degree level of education, we shall bring them up-to-date with new knowledge and technologies, assist them to obtain professional qualifications so that they can cope with broader and higher-end tasks.
- 5. In its new course of development, the ERB would be pleased to commit to the following functions: to strengthen the competitiveness of the local working population (and industries) by offering forward-looking training or retraining; to strive to lower structural

unemployment by filling the skills gap and rectifying mismatch; to support the development of Hong Kong's Qualifications Framework and to foster ongoing improvement of the quality of the work-force, so as to ensure sustainable employment and continuous development of employees.

Our Missions

- ◆ To keep up with market development and team up with partners, to strengthen the recognition of the vocational qualifications
- To offer outstanding training courses and services so as to enhance the working population's skills, quality, employability and global competitiveness
- ◆ To support the working population in self-improvement, develop progression pathways for further education; with foresight, to offer employers the manpower they need
- ◆ To promote self-actualisation, encourage disadvantaged groups to capitalize on their own value, and offer proper services with empathy

Having regard to the present global and national environments that Hong Kong is facing, training efforts in the 21st century should focus on the apt provision of education and training to the youths and adults. Consideration to the changes and demands of the labour market is necessary and a balance between academic and application skills should be struck. Clear delineation of qualifications and progression ladders are necessary. Learning model should be flexible and outcome-based.

Our New Directions

- 6. The objective of our training remains to be career-oriented, but with an additional emphasis on skill-upgrading and self-improvement of individuals in the work-force. We aim to inject excellent labour force to contribute to the economic development of Hong Kong and help the community to scale new heights, so that any structural changes in our economic system may be dealt with smoothly. The future directions of the ERB will be as follows:
 - (i) In line with the announcement in the Policy Address delivered by the Chief Executive in October 2007, the eligibility criteria in terms of education and age limits for the applicants have been relaxed and the requirement for two years' working experience has been waived. It will benefit those people who need skill training as well as the unemployed. Starting from 1st December 2007, the target group of our training courses has been extended to cover people aged 15 or above, with education level of sub-degree or below. The ERB will also launch pertinent training services geared to the needs of different disadvantaged groups such as the ethnic minorities, the disabled and people recovered from industrial accidents, the new arrivals and the rehabilitated offenders.

- (ii) To work in line with the development of Qualifications Framework in Hong Kong, all the training courses offered by the ERB have to meet the quality requirements of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and be listed on the Qualifications Register and recognized by the Qualifications Framework. We shall help the working population to attain recognized qualifications and map out the progression ladder and direction for individuals.
- (iii) For our programmes, apart from training on vocational skills, training on generic skills encompassing foundation skills such as languages, numeracy, and information technology, as well as training to enhance personal attributes and life skills (e.g. personal financial planning, career planning, work place culture and ethics, team spirit, adversity management, etc.) should be included. We hope that our trainees would have a better grasp of their orientation in life and direction of career development, that their ability of self-learning, introspection and adversity management would be enhanced, and that a more positive and proactive attitude towards life and the future would be nurtured.
- (iv) Besides provision of placement-tied training courses, we shall also endeavour to upgrade the vocational skills, personal attributes, and foundation skills of the employees through provision of courses ranging from QF Level One to Level Four, with a view to promoting the economic development of Hong Kong.
- (v) We would collaborate with all sectors in the community to promote career-oriented and forward-looking training, including employers, trade associations, employees, professional bodies, training institutions, academic circle, non-governmental organizations and government

departments. Trainees will be provided appropriate training and employment support, so that manpower will be nurtured for various trades and the potential of each trainee will be fully exerted. As such, the ERB shall become the strong back-bone for the development of manpower in Hong Kong.

Our Key Objectives

I. Strengthen research; Expand networks; Fortify recognition; Promote employment

> Strengthen research

7. It is critical to keep our courses abreast of the demands and changes of the employment market should we fulfil our new role. We shall conduct regular research and study on the labour market and manpower supply in order to formulate a comprehensive training strategy.

Reinforce liaison and communication with employers and all stakeholders

- 8. We shall strengthen consultation efforts with all sectors in the community to collect more information for our analyses, which will in turn contribute to our programme development. We intend to work together with the industrial and commercial sectors, especially the small and medium enterprises and social enterprises, to learn about their demands for labour force and skills. Such understanding will allow us to provide better pre-employment training for different trades as well as in-service training for skills upgrading.
- 9. We shall reinforce our communication with relevant government bureaux, departments and organizations, making it known to overseas corporations and Mainland enterprises that the ERB could assist in recruitment and training of staff (within our target groups) if

they plan to set up offices or production centres in Hong Kong. This will promote the development of 'Headquarters Economy' in Hong Kong, and naturally lead to more job opportunities for our labour force.

Promote skills assessment and professional certification to fortify recognition

- 10. In order to help the elementary workers to upgrade their skills and encourage them to attain qualifications, to boost their confidence and expand their employment horizons, and to increase their job prospects in the Mainland, we plan to offer through-train services encompassing training, assessment and certification for certain trade tests of the National Occupational Qualification Skill Test and Certification (Elementary and Intermediate Levels only). This will be helpful to those trainees who intend to work in the Mainland. Subject to future demand, we shall expand the coverage of our services to National Occupational Qualification Certifications of higher levels.
- 11. In keeping with Hong Kong's position as an international financial centre, trade centre, logistics, travel and information centre, we shall strengthen cooperation with these industries and help those among our target groups who are interested in entering the trades to do so through our training schemes and passing of the professional certification examinations. In view of the relatively high costs of these examinations and relevant training programmes, and the favourable returns obtained by trainees accordingly, it is suggested that part of the training costs should be borne by the trainees and/or their employers. The trainees and/or their employers should also be responsible for paying the examination fees.

II. <u>Provide optimal training; Enhance quality; Offer innovative</u> services; Help people to help themselves

Diversify the scope of training courses to cater for new target groups

12. We shall invite more quality and experienced providers in vocational training or professional bodies to participate in our retraining scheme in order to provide more diversified courses to cater for the training needs of different people and to provide them with more choices. We expect further diversification of our training courses when more training bodies of various background join the Retraining Scheme. We plan to conduct detailed analysis on the manpower demand in various industries including finance and accounting, hotel and tourism, healthcare, child care, exhibition, logistics, merchandising, catering and retail, beauty care, etc., and develop training courses which better meet the needs of the market and the users. The full-time placement-tied courses for the unemployed are provided free-of-charge. The part-time non-placement-tied courses are provided on a partial cost-recovery basis (the unemployed and those on low income can have their course fees waived).

Improve training content and extend training hours

- 13. Vocational training courses will incorporate core elements of practical training and betterment of personal attributes, and be designed on a modular basis. We shall solicit support from tertiary institutions and professional bodies to recognise the credits obtained under our training scheme, and to provide articulation pathways for our trainees to pursue further studies.
- 14. In support of the Qualifications Framework, we shall make reference to the "Specification of Competency Standards" developed by the respective industries in devising training curriculum. We shall review the design of all existing training courses, revise the curricula

and extend training hours as appropriate having consulted the stakeholders in the related industries.

- ➤ Provide training on generic skills to enhance the overall quality of the work-force
- 15. Training for the betterment of workplace and life skills and strengthening of personal attributes will be incorporated into all placement-tied vocational courses. Such skills include work attitude and adaptation, communication skill, emotion management, time management, professional ethics and integrity, career planning etc. These essential skills could also be taught as stand alone part-time non-placement-tied courses for those who need such training.
- 16. To strengthen the training of foundation skills, we are going to revamp the part-time non-placement-tied courses on English, Chinese, Putonghua, Numeracy, and Applied Information Technology and provide these courses at QF Level One to Level Four.
- 17. Through training on generic skills (i.e. betterment of personal attributes and foundation skills), we hope to enhance trainees' competitiveness, employment sustainability, and upward mobility. The main purpose of training on generic skills is to invest in people and to uplift the overall quality of the work-force.

➤ Incorporate workplace experience in training courses

18. When the unemployed re-join the work-force through our scheme, they need to adapt to new working environment and culture. On the other hand, some employers have reservations about employing people who may have little or no relevant working experience. In order to allow our trainees of different trades to put the knowledge and skills that they learnt into practice in a real working environment before they embark on a job, we shall collaborate with different public and private organizations, including social enterprises, in

arranging work placements for our graduates. To be carried out as a pilot scheme, work placements can broaden our graduates' knowledge on the practical work procedures, strengthen their communication and service skills, accumulate working experience under supervision, and can be viewed as extended training.

➤ Reinforce placement support services for people with special employment difficulties

19. For trainees who have special employment difficulties who fail to take up employment after the completion of placement follow-up period, it is suggested that a top up "Job Search Skills Training" be offered to these individuals after assessment, to help them further upgrade their personal qualities, enhance their employment desire and career aspirations, and build up positive working attitude. To encourage employers to employ these individuals, we shall also consider setting up an "On-the-Job Training Program".

➤ Pilot one-stop training cum employment resource centre

20. In his 2007-08 Policy Address, the Chief Executive announced the introduction of a pilot scheme to trial the one-stop employment support mode. In this connection, we are happy to set up a pilot "One-stop Training-cum-Employment Resource Centre" (the "Centre"). The Centre will provide support services in a three-tier mode: basic services, advisory services, and case management services. The Centre may serve as a contact point for users to communicate and exchange the latest market information, the mutual support and encouragement among job seekers. Furthermore, as a special pilot project within a pilot scheme, related departments may refer people who have special employment difficulties to the Centre and the Centre will try to rekindle their interest for employment through innovative means.

- **Enhance quality assurance and cost effectiveness**
- 21. We shall improve the existing allocation mechanism of training places to attach greater emphasis on the quality assurance of the training courses. It is proposed to incorporate factors that measure the quality of training courses, such as trainees' skills assessment results, the evaluation results of class observation, training bodies' internal quality assurance standards, the results of evaluation of the training facilities and support services conducted by the Management Audit Section of the Executive Office, and the benchmark and accreditation of courses. We shall also revise the definition of "placement rate", and inject elements of rewarding those training bodies that actively provide innovative training courses or services in the allocation mechanism of training places. The objective is to ensure the quality of training provided so that trainees would not only acquire upgraded skills, but also recognized qualifications that would facilitate their further development.

III. <u>Invest in people</u>; <u>Construct learning pathways</u>; <u>Support enterprises</u>; <u>Create win-win situations</u>

- **►** Encourage self-improvement, provide clear learning pathways
- 22. To establish clear learning pathways, we shall review all the training courses and define for each course its QF level and award title. Modules and study units for all standardized courses will be devised. With the expansion of our target groups, we shall increase the breadth and depth of our training courses through collaboration with more post-secondary education institutions and professional bodies. Our aim is to facilitate our graduates to meet the entry requirements of more advanced courses through seeking recognition of the certificates and credits of our training courses.

- Strengthen the articulation of training courses and offer training on skills upgrading
- 23. We are working with the Skills Upgrading Scheme in the provision of courses for specific industries. Through joint meetings, preemployment training for the unemployed and training on skills upgrading for the employed are developed together, so as to define clearly the QF level of different courses and the progression from one course to another.
- 24. In future, we shall be pleased to provide skills upgrading courses on a part-time basis to help employees enhance their value in their industries. The main service targets will be small and medium enterprises and social enterprises. Regarding funding, it is proposed that 70% of the cost of the courses will be sponsored by the Board, and the remaining 30% to be borne by the trainee and/or his employer. As for social enterprises, the Board may consider sponsoring the full cost of the courses.
- Strengthen partnership and consultative networks with industries
- 25. To ensure that courses offered are widely recognized, participation of the industries is very important. It is suggested to set up 24 industry-based consultative networks (ICNs) with reference made to the learning/training areas of the Qualifications Register. We shall increase the number of ICNs when future needs arise. Members of the consultative networks will include industry representatives who have insights into and commitment in the development of the industry and its manpower, including employers, professionals, employees and training institutions.
- ➤ Provide recruitment and training services to employers
- 26. We intend to strengthen our provision of tailor-made courses, in particular to the SMEs and social enterprises. We shall identify the

training needs of fast growing industries, and formulate comprehensive and appropriate training plans. We may introduce "Organisational Human Resources Health Check" service to employers on a pilot basis. The service can include design, development and implementation of pre-employment training and training on skills upgrading.

- ➤ Make use of the Retraining Allowance effectively
- 27. Retraining allowance at the existing level (i.e. about \$150 per day) is suggested to be payable to those clients attending full-time placement-tied courses pitched at QF Level 1 and 2 (except special schemes). As in the past, retraining allowance is only payable to retrainees whose attendance reaches at least 80%, and the actual amount of retraining allowance payable is based on the actual number of days attended. In view of the relatively high costs of training, there will be no retraining allowance for clients attending courses pitched at QF Level 3 and Level 4.
- 28. As to whether individuals aged below 30 should be eligible for the same amount of retraining allowance when taking QF Level 1 and Level 2 full-time placement-tied courses, we fully appreciate that this is a controversial issue and we would like to hear views from the public. For more effective use of resources, we intend to tie payment of retraining allowance with assessment results, so as to encourage trainees to complete the courses and obtain recognized qualifications.
- Establish service brands, create employment opportunities, incubate social enterprises
- 29. In order to further expand job opportunities for our graduates, we plan to introduce the "One-stop Integrated Household Services" (家居一站通) brand to provide one-stop household referral services. Referral services will include post-natal care, child care, elderly care, support for attending medical appointments,

preparation of meals, care for plants/pets, household maintenance work, horticulture, pest control, stand-in service for foreign domestic helpers who are on leave, etc. On the other hand, we are establishing the brands of "Integrated Healthcare Massage Services" and incubate social enterprises - '3R Zone' Massage Shop and home-based "Integrated Healthcare Massage Services".

- > Support social enterprises by providing them with business development and skills training
- 30. We support the development of social enterprises so as to assist the underprivileged groups in obtaining employment. We are pleased to provide training to the prospective employees of social enterprises, in particular the provision of tailor-made courses to meet the specific needs of individual enterprises. We shall continue to introduce to successful applicants of the "Enhancing Self-Reliance Through District Partnership Programme" the training services that we can offer.
- IV. Promote self actualization; develop individuals' potential; Be caring and understanding; Instil social harmony
- Provide appropriate training and employment services to the disadvantaged groups
- 31. We hope to assist the disadvantaged groups in gaining the required training and opportunities through appropriate training and employment services, so that they may reintegrate into the society, strive for the well-being of themselves and their families'.
- To enhance the employment follow-up services for **people with disabilities and people who recovered from industrial accidents,**we shall improve the design and development of courses, and include training on self-employment and business start-up, we may

increase the training places and introduce suitable comprehensive supported employment scheme. In addition, we hope to create more job opportunities for the disabled through supporting the development of social enterprises.

- \Rightarrow To help the non-engaged youths to develop their full potential, we shall develop new full-time placement-tied courses suiting the aspirations and interest of the group aged 21-29. We shall partner with training institutions which have ample experience in the field and which possess extensive employer networks in the design and piloting of Youth Training Programmes for the group aged 15-20. Besides the provision of training on vocational skills and Foundation skills, emphasis will be placed on training of personal attributes, nurturing of positive attitudes towards life, confidence, discipline, and pursuit of excellence. Post-placement support services will be added on top of placement support in helping these individuals to adjust to the changes and demands at the workplace. To provide more flexibility and appropriately reflecting the effectiveness of the pilot scheme, we suggest to include articulation to accredited and QF recognized full-time programmes as an alternative to job placement.
- To launch more placement-tied training courses delivered in English based on the market demand and the job aspirations of the **ethnic minorities**. Workplace Cantonese as well as "Job Search Skills" covering local workplace culture and job search techniques will also be offered to enhance employment opportunities for the group.
- To provide more training and support for rehabilitated offenders, we shall actively explore the provision of appropriate training courses suitable for the **rehabilitated offenders** and provide them with comprehensive employment support services.

➤ Pilot the "Community Harmony Course"

- 32. We intend to introduce a "Community Harmony Course" which is an enhanced version of the current "Job Search Skills" course especially offered to the **new arrivals**. New elements like enhancement of personal values, psychological well being, emotion and stress management, sourcing of community resources, learning local transport networks, learning the equivalence of simplified Chinese in traditional Chinese, appropriate ways to handle family problems, time allocation between family and work commitments, as well as concept of neighbourhood support, will be included. The course will be piloted at Tin Shui Wai and will be offered on part-time basis.
- 33. For the Youth, the pilot course will be enriched with elements of personal grooming, communication skills, life and career planning, and field trips and visits to other districts. The course will be delivered on part-time basis.
- 34. With the objective of enriching personal qualities, it is suggested to increase training places for part-time generic skills training courses such as English and computer in the district. New and diversified training courses will be developed together with training bodies to meet the demand of employment markets in the locality. Furthermore, we plan to set up a "one-stop" training cum employment resource centre at Tin Shui Wai subject to availability of suitable premises.

Invitation for Views

35. We welcome any comments that you may have on the future directions for the ERB outlined in this Consultative Document. The consultation period is open as from 24th January, 2008 to 31st March, 2008. Comments can be sent via e-mail, by post or by fax.

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Document")

36. This document has been uploaded onto our website at **www.erb.org** and you are welcome to browse or download the document online. Your comments are highly valued and will be seriously considered.

Chapter 1 Current Functions and Roles of the Employees Retraining Board

- 1.1 The Employees Retraining Board (the "ERB"), established under the Employees Retraining Ordinance in October 1992, has been responsible for the administration of the Employees Retraining Fund set up under the said Ordinance and the implementation of the Employees Retraining Scheme (the "ERS"). The ERS aims to help the unemployed or those at the brisk of unemployment to enhance their employability through the provision of retraining courses and services, and to meet the needs of employers and the economic development of Hong Kong. The ERB is a statutory body comprising representatives from employers, employees, the Government, and vocational training and manpower planning professionals.
- 1.2 At the initial stage of inception, the major service targets of ERB were those displaced workers aged 30 or above and the ERB sought to help them re-enter the labour market. Other service targets also included those people with disabilities, people recovered from industrial accidents, as well as the elderly. The ERB aimed to help them to rebuild their confidence and re-enter the job market. Training was provided free of charge, and retraining allowance was also available.
- 1.3 Owing to the changing structure of the Hong Kong economy, the Government commissioned a consultancy firm to review the ERS in April 1996 and the review findings were announced in June 1997. The major recommendations of the review were that the ERS should focus on providing those aged 30 or above with no more than junior secondary education with retraining so as to help them find jobs and sustain their employment. Based on the review findings, the ERB extended its services to house wives, people aged 50 or above, people with disabilities, people recovered from industrial accidents, and people with chronic illnesses who intended to re-enter the job market, as well as those eligible in-service workers who wished to enhance their generic skills. Starting from 1 January 1997, the ERS has also been expanded to cover the new arrivals.

- 1.4 The recurrent expenditure of the ERB came from the levy of \$400 per worker per month collected from employers who employed imported workers. When the Board was established in 1992, the Government injected a start-up capital of \$300 million and thereafter several one-off grants to the ERB. Since 2001-02, the Government has been granting to the ERB a recurrent funding of \$400 million a year to finance its operation and services.
- 1.5 Based on the recommendations of the Report of the Task Force on Population Policy, the Executive Council decided in February 2003 that with effect from 1 October 2003, employers of foreign domestic helpers should pay the same levy of \$400 per worker per month as those who employed imported workers under the Supplementary Labour Scheme. In April 2003, 5 foreign domestic helpers applied for judicial review against the decisions to collect the levy under the Employees Retraining Ordinance and to lower the minimum acceptable wage of foreign domestic helpers from \$3,670 to \$3,270. In view of the implications of the judicial review, the Government requested the ERB not to make use of the levy collected then.
- 1.6 The ERB has always been a funding body instead of a training provider. At the moment, we provide around 130 types of courses through 58 training bodies at around 200 training centres throughout Hong Kong. The ERB offers some 100,000 training places a year, about 60% of which are full-time placement-tied courses. As of end December 2007, the ERB had offered over one million training places. The training courses can be broadly put under five categories: (1) job search skills courses¹ (2) job specific vocational skills courses (3) basic language and computer skills courses (4) courses for the disabled and people recovered from industrial accidents, and (5) tailor-made courses for employers.
- 1.7 Full-time placement-tied courses mainly include training for Security and Property Management, Household Services (including domestic helper, post-natal care worker, and child and infant care

The course specifically designed for new arrivals is called "Job Search Skills for the New Arrivals".

worker), Healthcare Massage, Healthcare Assistant (including personal care and elderly home care), Hotel and Catering, Customer Service and so forth. The duration of full-time courses usually ranges from 2 to 4 weeks and the target participants are the unemployed. These courses are free and some participants may receive retraining allowance (around \$150 per day). The benchmark of placement rate is set at 70% for placement-tied courses. In 2006-07, the average placement rate attained approximated 85%.

- 1.8 The non-placement-tied courses are offered in part-time mode. They cover basic English, Putonghua and computer applications. The duration ranges from 2 weeks to 3 months. Both the unemployed and in-service workers may apply. A fee covering 20% of the costs is required for those enrolling in these courses but can be waived for the unemployed and the persons with low income.
- 1.9 In addition, in 2007 the ERB offered the English version of two standardized courses on "Domestic Helper" and "Security and Property Management" for the ethnic minorities in the light of their training and employment needs. Furthermore, since the introduction of an incentive scheme for new course development in April 2007, we have approved three specially designed courses for the ethnic minorities, namely "Kitchen Assistant for Indian Cuisine", "Environmental Hygiene and Cleaning Workers" and "Personal Care Workers".
- 1.10 In sum, the objectives of the existing ERS are:
 - ➤ to provide placement-tied full-time retraining courses to upgrade the vocational skills of the unemployed and help them re-enter the labour market;
 - ➤ to provide half-day and evening part-time courses to help the unemployed or the newly re-employed acquire basic language and computer application skills in order to enhance their employability or their abilities to stay in their jobs;

- ➤ to assist those retrainees who wish to start their own business to contribute to the economy and develop business opportunities;
- ➤ to provide employment referral and counselling services to retrainees, help them adapt to new working environments and face new challenges; and
- > to assist retrainees to overcome their psychological barriers, and to acquire recognized qualifications.
- 1.11 To achieve its objectives, the ERB is performing the following functions:
 - ➤ keep track of the development of the labour market and assess the demand for labour, based on which training in areas with employment potential will be provided;
 - maintain close liaison with stakeholders, including employers, industry practitioners as well as training providers for development of new courses;
 - reate more employment opportunities for our graduates through the "Integrated Scheme for Local Domestic Helpers", "Healthcare Massage Integrated Scheme", etc.;
 - ➤ allocate training places and funding to training bodies in accordance with specially designed mechanisms; and
 - ➤ monitor the quality of training courses through means like management audit, post-training evaluation, performance indicators, and standardized assessment, etc.
- 1.12 In the past, the ERB mainly targeted its services to the older group of unemployed persons with low skills with the aim to retrain them for alternative jobs. But in the course of economic restructuring, it becomes clear that unemployed persons of different age groups and educational levels also have needs for retraining in order to re-enter

the labour market. In Table 1.1 below, the data for the third quarter of 2007 reveals that the percentage of the unemployed with Secondary 3 education or below is 38.8% of the total unemployed population, while the percentage of those with Secondary 3 or above but below degree level is 45.7%. The two groups together represent 84.5% of the total unemployed population, and around 40% of the unemployed are aged below 30.

Table 1.1 Demographic Characteristics of HK Labour Force, 2006 & 2007 O3

	Employed		Unemployed		Total Work Force			
	2006	2007	2006	2007	2006	2007		
	Q3	Q3	Q3	Q3	Q3	Q3		
	'000(%)	'000(%)	'000(%)	'000(%)	'000(%)	'000(%)		
Age Groups								
15 - 29	791.6	802.9	69.2	61.4	860.9	864.4		
	(23.1)	(22.9)	(39.0)	(39.3)	(23.8)	(23.6)		
30 or above	2,641.4	2,699.2	108.3	94.8	2749.8	2,794.0		
	(76.9)	(77.1)	(61.0)	(60.7)	(76.2)	(76.4)		
Total	3433.1	3,502.2	177.5	156.3	3,610.6	3,658.4		
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)		
Education Attainment								
S.3 or below	1,029.0	1,022.0	73.1	60.7	1,102.2	1,082.7		
	(30.0)	(29.2)	(41.2)	(38.8)	(30.5)	(29.6)		
Above S.3 but	1,711.7	1,754.0	82.1	71.5	1,793.7	1,825.5		
below Degree	(49.9)	(50.1)	(46.3)	(45.7)	(49.7)	(49.9)		
Degree Level	692.4	726.2	22.3	24.1	714.8	750.2		
	(20.2)	(20.7)	(12.6)	(15.4)	(19.8)	(20.5)		
Total	3,433.1	3,502.2	177.5	156.3	3,610.6	3,658.4		
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)		

Source: HK Census and Statistics Department General Household Survey (3rd Quarter of 2007)

- 1.13 The provision of nine-year free (compulsory) education (i.e. six years primary plus three years secondary education) has been implemented in Hong Kong for nearly 30 years. Those children who benefited from the scheme are now 40 years old or above. Under this scheme, the majority of the working population have completed junior secondary education. Should the target group of the ERB be confined to those with education level at Secondary 3 or below, the number of service targets for retraining would become insignificant and the effectiveness of our work would be hampered.
- 1.14 In January 2005, the Court of First Instance dismissed the application for judicial review mentioned in paragraph 1.5 above. In July 2006, the Court of Appeal maintained the decision of the Court of First Instance. By October 2006, the deadline for application for leave to appeal to the Court of Final Appeal, the Plaintiff has not submitted any application. As at 31 December 2007, the levy collected together with interest earned amounted up to \$4.1 billion. As the sum is quite substantial, the public at large would expect the ERB to make good use of it to strengthen its training services for the unemployed as well as the working population in Hong Kong.
- "Employment is an issue that has to be tackled by setting long-term strategies. Hong Kong's economic growth model has changed. The need for training and self-improvement is not just confined to low-skilled, low-educated and middle-aged workers. We need to turn our training policy into a long-term social investment". The Policy Address thus suggested to relax the eligibility criteria for retraining courses to cover those aged 15 to 29, and with education level at sub-degree or below so as to offer more diversified training courses to cater for the market needs, and to provide assistance to enterprises of different trades in manpower training and continuous skills upgrading.

The Policy Address "A New Direction for Hong Kong" delivered by the Chief Executive at the Legislative Council meeting on 10 October 2007, Para.73.

- 1.16 At the Executive Council meeting held on 23 October 2007, the Council advised and the Chief Executive ordered that (i) starting from 1 December 2007, the ERB be allowed to make use of the levy collected from the employers of foreign domestic helpers to finance its operation and services; and (ii) from 1 December 2007 onwards, relax the eligibility criteria for the ERS to cover people aged 15 to 29 and with education level at sub-degree or below.
- 1.17 The ERB has 15 years of experience in retraining and its achievements are remarkable. At times of economic difficulties, the ERB had sought to assist the vulnerable groups to address their employment problems. Now that the Hong Kong economy is recovering and the unemployment rate is on a downward trend, the ERB should seize the opportunity to review its positioning and strategies. Through the proper use of the levy collected, the ERB should take on a broader mission to further empower the Hong Kong work-force in order to meet the expectations of the society and the public at large.

Chapter 2 Why do We Change?

The Wave of Globalisation

- 2.1 The world is globalising since the 1980s, with opportunities and challenges created for each and every economy worldwide. At the same, globalisation has increased the mobility of the labour force as workers tend to be attracted to markets with better employment opportunities. An observable phenomenon is, therefore, the migration of low-skilled and low value-added jobs to regions with lower wages. In Hong Kong, this trend is exemplified by the gradual relocation of industrial activities to the Mainland since the 1990s.
- 2.2 According to the "Global Economic Prospects 2007" issued by the World Bank, globalisation would have a great impact on the world's economy. While globalisation will raise people's living standard, advancement in technology and fierce competition for talent will result in growing demand for more highly skilled labour. As such, there is a need for the Government to formulate suitable policies to upgrade those low-skilled workers in order to ensure that they are not lagged behind in economic growth.
- 2.3 Knowledge is becoming more and more important nowadays. The need for investment in education and skills training to sustain economic growth and stay competitive in the global market is increasing. Human capital is key to the success of a country's development, the strengthening of which becomes an essential strategy in the ever intensively competitive world stage.
- 2.4 To cope with the world's ever changing development, the Education Commission of Hong Kong released the "Reform Proposals for the Review of Education System in Hong Kong" in September 2000 proposing "life-long learning and all-round development" as the direction for manpower development. The purpose of this initiative was to make education more diversified. The Government has not

 $^{^{3}\,\,}$ "Global Economic Prospects 2007: Managing the Next Wave of Globalisation." The World Bank.

only expanded post-secondary education opportunities, but also strived to promote life-long learning. Various measures have been introduced, including the Skills Upgrading Scheme and the Continuing Education Fund, etc. For the improvement of manpower quality and professional standards, the Qualifications Framework was also devised to provide structured and clear progression pathways for learners.

The Reality of Knowledge-based Economy

- 2.5 Globalisation, coupled with the fast advancement of technologies, has given rise to a fundamental change in Hong Kong's economic structure. The term "Knowledge-based Economy" was first introduced by the "Organization for Economic Cooperation and Development" (OECD) back in 1996. Its conceptual definition refers to an economy which focuses on the possession, distribution, production and use of "knowledge" to produce economic benefits. Knowledge-based Economy is a new economic reality with similar significance as the Agricultural Economy and the Industrial Economy.
- 2.6 The knowledge-based economic model broadly encompasses the application of new technologies, staff's innovations, entrepreneurs' perseverance and adventurous spirit as driving forces for economic growth. The World Bank adopts a total of 81 indicators in a Knowledge Assessment System to analyse the degrees of maturity of various countries as being knowledge-based economies. These indicators mainly measure four key performance areas of a country: (i) availability of an environment conducive to innovation; (ii) innovation; (iii) education; and (iv) information and communications technologies. The indicators include a country's gross domestic product, expenditures in research and development, education level, and numbers of personal computers and cellular phones possessed by every 1,000 persons in the population, etc.
- 2.7 According to the experience of OECD countries, a knowledge-based economy is observed to have the following four characteristics: (i)

Knowledge-based Economy is featured by innovations in which the application of innovative work-flows and technologies seeks to change cost structures and business models; (ii) Knowledge-based Economy places emphasis on the effective use of information and communications technologies to collect, store and apply knowledge; (iii) Knowledge-based Economy is particularly keen on promoting continuing education and life-long learning for pursuing innovations to maintain competitiveness; (iv) Knowledge-based Economy focuses on effective and efficient use of resources for sustainable development. Judging from these characteristics, it is not difficult to realize that the development of human capital plays a vital role in future economic developments. The work-force of a Knowledge-based Economy should be able to make the best use of new technologies, pursue continual upgrading and stay innovative so as to maintain its competitive advantages.

The Eleventh Five-Year Plan and Hong Kong's Future Development

- 2.8 The Eleventh Five-Year Plan (2006-2010) (the "Plan") for China's economic and social development is the second national development plan issued since the return of sovereignty of Hong Kong to the Mainland in 1997. It does not only draw up clear directions for the future development of our country, but also has a profound meaning and impact on Hong Kong's future social and economic development. The Plan succeeds the 10th Five-Year Plan in achieving the overall national objective of having the country become a reasonably well-off society. It promulgates that economic growth is not just for the sake of growth but should adopt pragmatic and achievable development targets. Moreover, the spirits of resource economizing and sustainable growth are amongst the core considerations. The Plan also emphasises economic efficiency, innovation and development of new high-end technology.
- 2.9 For the first time, both the Hong Kong and Macau Special Administrative Regions are included in the national planning, although only the directions for development are given. Under the "One country, Two systems" principle, our motherland has clearly

expressed its support for Hong Kong and our development of service industries particularly in the areas of finance, logistics, tourism and information technology with the view of maintaining Hong Kong as an international financial centre, trading centre, and shipping centre. It also encourages exchange and cooperation between the Mainland and Hong Kong in respect of trades, science and education, cultural activities, public health, and sports, etc. This represents not only our Country's support for and recognition of Hong Kong, but also its expectations on us.

- 2.10 After 30 years of economic reform, the Mainland ranks fourth in terms of economic size after the United States, Japan and Germany. The overall national strength of our Country has been rapidly growing. Its international status and productivity have been remarkably uplifted. People's living standard has also been significantly improved. The rapid economic growth of the Mainland creates great opportunities for Hong Kong. It is estimated that by 2015 its economic strength may overtake that of Japan, making it the top economic nation only second to the United States.
- 2.11 Since joining the World Trade Organization in December 2001, the volume of trade of the Mainland has been growing rapidly. This has brought enormous business opportunities to Hong Kong. It is envisaged that entrepot trade between Hong Kong and the Mainland as well as the related financial and professional services will experience tremendous growth. The signing of the Closer Economic Partnership Arrangement (CEPA) has further sped up the economic integration between Hong Kong and the Mainland in recent years. With its international outlook, strong backing from the Mainland and convenient location, Hong Kong should be able to contribute much to our Country's economic development.

The profile and demographic characteristics of the Hong Kong population

2.12 With scarce land and natural resources, Hong Kong's economic development and competitiveness hinge on its human capital. The

supply and productivity of the human capital are keys to the sustainable growth of Hong Kong. According to the population projection of the Census & Statistics Department⁴, the population in Hong Kong will reach 8.57 million in 2036. However the growth rate will be on a downward trend starting from 2021 and the birth rate for the coming 30 years will drop to 900 babies per 1,000 women. With the persistently low birth rate of local people, the number of new arrivals will account for over 90% of the population growth.

- 2.13 The Hong Kong society and its economy will be affected by factors pertaining to population change. With longer life expectancy and lower birth rate, an ageing population is expected. Based on the fact that the average expectancy rates for males and females are 82 and 88 respectively; the dependency ratio (i.e. the ratio of individuals below 15 and those over 65 per 1,000 aged 15-65 in the population) is expected to rise from 354 in 2006 to 611 in 2036. While the ageing population is an issue of concern, the quality of the workforce merits attention of equal weight. It is of paramount importance for the success of Hong Kong that there is sufficient supply of high quality human resources. The solution, besides importing talent from the Mainland and overseas, lies with the upgrading of the local work-force through training.
- 2.14 The source of population growth in Hong Kong has been mainly immigrants from the Mainland. Each year, some 55 000 new arrivals come to Hong Kong with One-way Permit. As the "One-way Permit" is designed mainly for family reunion, most of the new arrivals are women and children. Therefore, the upgrading of the skills of the new work-force to match the needs of the development of local economy is crucial.
- 2.15 Turning to the employment situation, owing to the remarkable improvement in the economy, the unemployment rate has been decreasing to 4.3% in the third quarter of 2007 (Table 2.1). Yet the

^{4 &}quot;Hong Kong Population Projections 2007-2036" Census and Statistics Department.

unemployment rate for the age group of 15-19 is still high (22.9%), and those of the age groups of 20-24 (9.3%) and 55-59 (4.8%) are also comparatively higher than the overall average.

Table 2.1 Unemployed by Age Groups ,2006 & 2007

	Unemployment Rate					
Age Groups	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	
15-19	23.5	17.5	16.2	24.3	22.9	
20-24	10.4	6.9	5.7	6.2	9.3	
25-29	3.9	3.5	3.4	3.6	3.2	
30-34	2.9	2.9	3.5	3.6	3.2	
35-39	3.7	3.2	2.6	2.8	2.8	
40-44	3.6	2.9	3.9	3.4	3.0	
45-49	4.5	4.6	4.1	3.9	3.7	
50-54	5.0	4.6	5.2	4.9	4.0	
55-59	5.4	5.7	5.6	4.5	4.8	
≥60	2.0	2.6	2.6	3.1	2.0	
≥15	4.9	4.2	4.2	4.3	4.3	

Source: Quarterly Report on General Household Survey (2007 First, Second and Third Quarters), Census and Statistics Department

2.16 Analysing the unemployment situation based on education background, individuals with only lower secondary education has the highest (5.8%) unemployment rate (Table 2.2); followed by those with primary education or below (5.3%); and degree holders have the most agreeable (3.2%) unemployment status. One observation requires particular attention is that the number of unemployed persons who possess qualifications at the tertiary level (below degree level) reaches 132,200, representing 85% of the total number of the unemployed.

Table 2.2 Unemployed by Education Attainment, 2006 & 2007 Q3

	20	006 Q3	2007 Q3		
Education Attainment (Highest Level Attained)	No. ('000)	Unemployment Rate #(%)	No. ('000)	Unemployment Rate *(%)	
Primary or below	30.0	6.2	25.1	5.3	
Lower Secondary ®	43.1	7.0	35.6	5.8	
Senior Secondary *	64.6	4.5	56.3	3.8	
Tertiary - Non-degree	17.5	4.9	15.2	4.4	
Tertiary - Degree	22.3	3.1	24.1	3.2	
Total	177.5	4.9	156.3	4.3	

Source: Quarterly Report on General Household Survey (2007 Third Quarter), Census and Statistics Department

- # unemployment rate for the group with the respective education attainment
- refers to F.1 F.3 or its equivalence in the local educational system
- * refers to F.4 F.7 or its equivalence in the local educational system

Manpower demand brought forth by the development strategy and economic restructuring of Hong Kong

2.17 Hong Kong should affirm its development strategy and positioning in order to draw up an effective human resource policy to meet the manpower demand. To resolve the problem of labour mismatch arising from economic restructuring, and to improve the employment and income situation for those with low skills and little education, the Government needs to work on education and training. The Chief Executive pointed out in his 2007-08 Policy Address that one of his principal goals is: "Promoting social harmony under the concept of helping people to help themselves:.....developing soft infrastructure on all fronts including expanding retraining programmes to help the middle class and the grassroots upgrade their skills - this will improve their competitiveness in an everevolving labour market; creating employment opportunities at the community level through social enterprises based on tri-partite

collaboration between the Government, the community and the business sector; continuing to invest heavily in education and fostering social mobility to reduce cross-generational poverty; and, adding value to social capital as the target of welfare services development in the future."⁵

- 2.18 In response to the policy objectives stipulated in the Policy Address and the rapidly changing economy and labour market, the Employees Retraining Board will contribute proactively and effectively to the alleviation of the problem of mismatch between skills possessed and jobs available through the upgrading of our working population such that they could achieve sustainable employment and self-reliance. Observing the situations of the world, our nation and Hong Kong, they all hint that training efforts in the 21st century should focus on the apt provision of education and training to the youths as well as adults. Consideration to the changes and demands of the labour market is necessary and a balance between academic and application skills should be struck. There should be clear delineation of qualifications and progression ladders. Learning models should be flexible and outcome-based. To achieve these objectives, the ERB will work closely with the employers so that the most needed training could be delivered to the employees. Participation of employers in course development and the provision of work experience opportunities to our trainees is also important. Employers should encourage and support their employees to upgrade themselves through continuous learning. The concept of life-long learning should be fostered in the community in order to meet the requirements of the knowledge-based economy and challenges arising out of globalisation.
- 2.19 Indeed, work is more than monetary rewards, it has a more profound meaning. Those unemployed and job seekers are prone to lose their directions and hopes in life. They generally resort to abstaining

^{5 2007-08} Policy Address "A New Direction for Hong Kong" delivered by the Chief Executive at the Legislative Council meeting on 10 October 2007, Para. 11.

from social activities and contacts with others as means of saving money and avoiding others' patronizing attitude towards them, resulting in confinement, social exclusion, and eventually depression. So unemployment adversely affects their self-confidence and self-respect. Through apt training and employment support, we hope the unemployed would be able to achieve "Self-reliance" and "Self-improvement", subsequently establishing "Self-esteem" and "Self- confidence". We hope to set these spirits into motion, promote a positive and proactive attitude, enhance the quality of local working population, foster continuous enhancement and upward mobility.

Chapter 3 Our Repositioning

- 3.1 Over the years, the ERB has been serving the unemployed of age 30 or above and with education level up to Secondary Three. Since 1st December 2007, in response to the decision of the Executive Council, our services have been extended to cover the unemployed Hong Kong residents at age 15 or above and with education attainment at sub-degree level or below. Starting from 2009-10, we plan to further open up our training services to in-service workers who meet the above eligibility criteria. With the expansion of our service scope, the ERB is stepping onto a new era of development.
- 3.2 In line with the relaxed age and qualification criteria of our target trainees, the ERB has also waived the requirement that course applicants should have two years of working experience. At the same time, the training places provided in the current year (2007-08) will be increased by around 10% to more than 10,000, all of which will be for full-time placement-tied courses. This increase will enable more people to re-enter the employment market through training. The ERB aims to gradually expand the scope as well as the volume of training in the future.
- 3.3 While our training services will be expanded, our training objectives would also be extended not only to assist the unemployed to seek employment, but also to prepare them to cope with the complex working environment and the fast-evolving technologies, so that they can maintain their employability and productivity in the everchanging market.
- 3.4 Through provision of appropriate training, the ERB aims to improve the skill level of the local working population, enabling individuals in the local work-force to commit to work, enjoy their work, ever seek improvement, and be multi-skilled. For the work-force at grassroots level, we aim to provide training and retraining opportunities for them to upgrade their vocational skills, personal attributes, and foundation skills. For the young people with little work experience and training, we shall focus on nurturing their motivation to learn, positive attitude and understanding of work

ethics and values. Career counselling, career planning, betterment of personal attributes, and work experience would be core elements of training. For the working population with sub-degree level of education, we shall bring them up to date with new knowledge and technologies, assist them to obtain professional qualifications so that they can cope with broader and higher-end tasks. In sum, our ultimate objective is to facilitate sustainable employment and upward mobility of our work-force amid globalisation.

- 3.5 To encourage lifelong learning in the community, thus enhancing the quality of our work-force, the Executive Council approved in 2004 the setting up of a Qualifications Framework⁶ (QF) in Hong Kong. The QF systematically orders academic, vocational and continuing education qualifications into seven levels, thus providing clear learning pathways. By having a better understanding of the different qualifications through the QF, the public will be encouraged to pursue continuous learning and higher qualifications. Those striving for self-improvement could plan their progression systematically with reference made to the learning pathways provided by the QF for realization of their aspirations.
- 3.6 To improve our education system, the Government started the Education Reform in 2000. One of the core initiatives is the implementation of the 3-year New Senior Secondary and 4-year University system in 2009/10. Under this new academic structure, all students shall be given the chance of having six years of secondary education, with which they can acquire broader knowledge, balanced development, good language proficiency and other transferable skills, as well as high motivation for life-long learning. Accordingly, the training to be provided by the ERB should align with and complement this new philosophy in education.
- 3.7 In its new course of development, the ERB would be pleased to commit to the following functions: to strengthen the competitiveness of the local working population (and industries) by offering forward-

⁶ Please visit <u>www.hkaf.gov.hk</u> for further information on the Qualifications Framework.

looking training or retraining; to strive to lower structural unemployment by filling the skills gap and rectifying mismatch; to support the development of Hong Kong's Qualifications Framework and to foster ongoing improvement of the quality of the work-force, so as to ensure sustainable employment and continuous development of employees.

- 3.8 The Chief Executive's 2007-08 Policy Address⁷ stated that the Government "will examine how to rationalise, integrate and enhance the employment and training services currently provided by the Labour Department, the Social Welfare Department (SWD) and the ERB. We will also launch a pilot scheme to trial the one-stop employment support mode and on-the-job training. We hope that the revamped service mode will more effectively help the unemployed." The ERB would be pleased to undertake the pilot scheme aforementioned and is making preparation to strengthen our training and placement services to the unemployed, and to help the needed to seek available social resources to ease their family or financial difficulties.
- 3.9 To further improve the productivity of our work-force, to alleviate the problems brought by mismatch between skills possessed and jobs available, and to be more responsive to the society's expectations, the ERB recommends its future directions as follows:
 - (i) In line with the announcement in the Policy Address delivered by the Chief Executive in October 2007, the eligibility criteria in terms of education and age limits for the applicants have been relaxed and the requirement for two years' working experience has been waived. It will benefit those people who need skill training as well as the unemployed. Starting from 1st December 2007, the target group of our training courses has been extended to cover people aged 15 or above, with education level of subdegree or below. The ERB will also launch pertinent training services geared to the needs of different disadvantaged groups

The Policy Address "New Direction for Hong Kong" delivered by the Chief Executive at the Legislative Council meeting on 10 October 2007, Para.77.

- such as the ethnic minorities, the disabled and people recovered from industrial accidents, the new arrivals and the rehabilitated offenders.
- (ii) To work in line with the development of Qualifications Framework in Hong Kong, all the training courses offered by the ERB have to meet the quality requirements of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and be listed on the Qualifications Register and recognized by the Qualifications Framework. We shall help the working population to attain recognized qualifications and map out the progression ladder and direction for individuals.
- (iii) For our programmes, apart from training on vocational skills, training on generic skills encompassing foundation skills such as languages, numeracy, and information technology, as well as training to enhance personal attributes and life skills (e.g. personal financial planning, career planning, work place culture and ethics, team spirit, adversity management, etc.) should be included. We hope that our trainees would have a better grasp of their orientation in life and direction of career development, that their ability of self-learning, introspection and adversity management would be enhanced, and that a more positive and proactive attitude towards life and the future would be nurtured.
- (iv) Besides provision of placement-tied training courses, we shall also endeavour to upgrade the vocational skills, personal attributes, and foundation skills of the employees through provision of courses ranging from QF Level One to Level Four, with a view to enhancing the overall quality of the work-force, thus promoting the economic development of Hong Kong.
- (v) We would collaborate with all sectors in the community to promote career-oriented and forward-looking training, including employers, trade associations, employees, professional bodies, training institutions, academic circle, non-governmental organizations and government departments. Trainees will be provided appropriate training and employment support, so that

manpower will be nurtured for various trades and the potential of each trainee will be fully exerted. As such, the ERB shall become the strong back-bone for the development of manpower in Hong Kong.

3.10 Looking into the future, our prime objective is to serve the lower and middle tiers of our work-force through providing them with training and employment support. For our future development, the ERB has drawn up:

Our Vision

To provide flexible, quality and resilient work-force for the knowledge-based economy of Hong Kong.

Our Missions

- ◆ To keep up with market development and team up with partners, to strengthen the recognition of the vocational qualifications
- ◆ To offer outstanding training courses and services so as to enhance the working population's skills, quality, employability and global competitiveness
- ◆ To support the working population in self-improvement, develop progression pathways for further education; with foresight, to offer employers the manpower they need
- To promote self-actualisation, encourage disadvantaged groups to capitalize on their own value, and offer proper services with empathy

Our Key Objectives

- → Provide optimal training; Enhance quality; Offer innovative services; Help people to help themselves;
- → Invest in people; Construct learning pathways; Support enterprises; Create win-win situations;
- → Promote self actualization; Develop individuals' potential, Be caring and understanding; Instil social harmony.

Chapter 4 Key Objectives (I)

Strengthen research Expand networks
Fortify recognition Promote employment

- Strengthen research, set up a human resources database
- Reinforce liaison and communication with employers and all stakeholders
- ◆ Promote skills assessment and professional certification to fortify recognition
- 4.1 The ERB has been adopting the "market-driven" and "user-based" approaches in our operations. With our continuous efforts in improving the quality of our training courses, the placement rate of our graduates has been satisfactory and feedback from employers has been generally positive. Both the Board and our training bodies have been working hard to promote the ERS to enterprises and to persuade employers to take on mature staff with low qualifications. Over the years, we have built up an extensive network of employers. The reputable "Integrated Scheme for Local Domestic Helpers" initiated and developed by the ERB since 2002 is one of the success stories of the ERS.
- 4.2 With its new role, the Board expects to expand its services to include not only the unemployed at middle-age and with low education, but also the in-service workers with higher qualifications up to the sub-degree level. The primary training objective is still placement-oriented, but there will be new foci on skills upgrading and self-improvement. We aim to re-energise the local work-force and assist in elevating its overall quality so that we can ride on any economic structural changes.
- 4.3 To realize these goals, it is important to keep our training programmes abreast of the market needs and changes. The Executive Office would strengthen its market research and carry out forward looking analyses so that training could be developed aptly to match the needs of the market. To this end, closer ties and consultations with various stakeholders will be necessary for

collecting views and information for course design. The Executive Office also plans to work closely with the business sector, especially the small and medium enterprises (SMEs) and social enterprises, to better identify their manpower and training needs in order to provide the required pre-employment training as well as in-service skills enhancement training.

4.4 Professionalization of skills marks the development and maturity of a knowledge-based economy, as well as the competitiveness of our work-force amid the global and regional competitions. Therefore, the ERB endeavours to promote standardized assessments and explore skill and professional certification schemes for improving the employability and professionalism of our trainees.

(I) Strengthen research, set up a human resources database

- 4.5 To promote the recognition of our courses and to support our expanded scope of work, the Executive Office will conduct regular researches and studies on the labour market and manpower supply in order to assist the Board to formulate a comprehensive training strategy. Through internet-based trainee enrolment, the Board records trainees' education attainment, training received and work experience. Over time, the aggregate data collected will provide useful information for analyzing our manpower mobility, as well as for refining and reviewing our training plans regularly.
- 4.6 To help trainees devise their individual learning plan and strengthen the support for life-long learning, we propose to set up an online learning platform. Besides reviewing their training records, trainees can also access the latest training and employment information via the platform. For continuous improvement, the Executive Office also plans to conduct longitudinal studies on trainees as one of the means to assess the effectiveness of our services.
- 4.7 Moreover, we shall conduct surveys on service targets of different age groups so that more diversified training can be developed to meet their specific training and employment needs. For example, we shall collaborate with relevant social services organizations to

- identify the career aspirations, vocational skills required to be trained and availability of employment opportunities, etc. for the youth, middle-aged, and the elderly, etc.
- 4.8 The Government conducts manpower projections at the macro level on a regular basis. At the same time, the Vocational Training Council (VTC) also conducts manpower surveys with focus on the manpower demand and supply of individual industries. So far, these surveys cover 25 industries/sectors and provide input to the relevant training providers for the development and design of training courses to meet the needs of the respective industries.
- 4.9 In view of this, the Board will regularly collect and analyse manpower, employment and training information published by the Government, VTC, the Hong Kong Institute of Human Resource Management, and other local and overseas organizations in order to identify job types with employment opportunities in both Hong Kong and the Mainland for course development. When formulating our training strategies, the latest development in government policies (including those on labour, human resource development, social welfare, employment and alleviation of poverty, etc.) will be carefully observed to ensure alignment. The Exchange Forum on the ERB website will also be enhanced to effectively collect more diverse views.
- 4.10 Apart from research at the macro level, at the micro level, the Board recommends to launch in 2009-10 an Organisational Human Resources Health Check Scheme by commissioning professional organizations to conduct analysis on the manpower training needs for SMEs and social enterprises. In collaboration with the employers, we can provide the necessary training to upgrade the quality and productivity of their employees. With such joint efforts, we hope that the competitiveness of the enterprises and Hong Kong will be improved.

(II) Reinforce liaison and communication with employers and all stakeholders

- 4.11 Employers' participation and acceptance of our graduates are keys to the success of our training. It is thus pertinent and vital that we establish and maintain close partnership with employers of different sectors. The Board will fortify communication with employer and trade associations and professional bodies, and introduce to them our new role, functions and the latest development of our services. We shall also invite them to contribute their valuable opinions and help us disseminate relevant information to their members so that our services would be fully comprehended and utilized by employers. Through this, we shall have a better grasp of the latest information on manpower and training needs of the different trades. With the setting up of the Industry Consultative Networks (please refer to Chapter 6 for details), there will be more proactive involvement of stakeholders in the design of training courses, making our training better meeting the market needs.
- 4.12 In this information age, the ERB will actively promote its expanded services and latest development through multiple communication channels to employers, trade associations, government departments and professional bodies, etc. Moreover, different promotional campaigns will be launched to establish contacts with all relevant target groups.
- 4.13 Riding on the wave of globalisation, there is an upsurge of "Regional Economies" to combat the threat of other economic unions. To sustain its economic development amidst competition, Hong Kong should develop itself to become a 'Headquarters Economy'. In performing a core role in the regional economic union, the demand for Hong Kong's manpower will be increased. So we shall reinforce our communication with relevant government bureaux, departments and organisations, making it known to overseas corporations and Mainland enterprises that the ERB could assist in recruitment and training of staff (within our target groups) if they plan to set up offices or production centres in Hong Kong. This will promote the development of "Headquarters Economy" in Hong

Kong, and naturally lead to more job opportunities for our labour force.

(III) Promote skills assessment and professional certification to fortify recognition

- 4.14 To monitor the quality of training and promote standardization of training courses in order to increase their credibility such that employers have more confidence in the skill standards of our graduates, the ERB set up the Practical Skills Training and Assessment Centre (the "PSTAC") in October 2002 to oversee and administer standardized skill assessments.
- 4.15 To boost the recognition of our healthcare massage courses and assist graduates to seek employment in the Mainland, the ERB, with the support from the HKSAR Government and the Department of Labour and Social Security of Guangdong Province, signed an agreement with the Occupational Skill Testing Authority of Guangdong Province in May 2007 to launch the National Occupational Qualification Skill Test and Certification for graduates of our Healthcare Massage courses on a pilot basis. With experience gained from this pilot scheme, assessment and certification will be expanded to other areas to meet the needs of the market and our trainees.
- 4.16 The National Occupational Qualification Skill Test and Certification represents an important reference for Mainland employers in recruitment and is important for Hong Kong workers seeking jobs in the Mainland. The skill standards and working experience required for each level are prescribed according to National standards and the assessments are conducted in recognized skill assessment centres. Those who pass the assessment will be awarded a National Occupational Qualification Certificate. These certificates are major vocational qualifications in the Mainland and are regarded as prerequisite for employment. Acquiring the National Occupational Qualification Certificate is necessary and would impart greater credibility for individuals wishing to work or start a business in the

Mainland. There are altogether 5 levels of certificates: Elementary, Intermediate, Advanced, Technician and Senior Technician.

- 4.17 A through-train services encompassing training, assessment and certification In order to help the elementary workers to upgrade their skills and encourage them to attain qualifications, to boost their confidence and expand their employment horizons, and to increase their job prospects in the Mainland, we plan to offer through-train services encompassing training, assessment and certification for certain trade tests (e.g. health masseur, chef, room attendant, beautician, etc.) of the National Occupational Qualification Skill Test and Certification (Elementary and Intermediate Levels only). This will be helpful to those trainees who intend to work in the Mainland.
- 4.18 Subject to future demand, we shall expand our service to other trade tests of the National Occupational Qualification Skill Test and Certification, as well as tests of higher levels when we have accumulated adequate experience. Details of development will be subject to further discussion with the Occupational Skill Testing Authority of Guangdong Province. For tests of higher levels, individuals are expected to shoulder part of the costs which should be considered as personal investment in self-improvement.
- 4.19 In keeping with Hong Kong's position as an international financial, trade, logistics, travel and information centres, we shall strengthen cooperation with these industries and help those among our target groups who are interested in entering the trades to do so through our training schemes and passing of the professional certification examinations.
- 4.20 In view of the relatively high costs of these examinations and relevant training programmes, and the favourable returns obtained by trainees accordingly, it is suggested that part of the training costs should be borne by the trainees and/or their employers. The trainees and/or their employers should also be responsible for paying the examination fees.

Chapter 5 Key Objectives (II)

Provide optimal training Enhance quality
Offer innovative services Help people to help themselves

- Diversify the scope of training courses to cater for new target groups
- Improve training content and extend training hours
- ◆ Provide training on generic skills to enhance the overall quality of the work-force
- Incorporate workplace experience in training courses
- ◆ Reinforce placement support services for people with special employment difficulties
- Pilot one-stop training cum employment resource centre
- ◆ Enhance quality assurance and cost effectiveness
- 5.1 The ERB will continue to use its funding responsibly and cautiously to ensure that it is properly spent on the human resources development of Hong Kong. Regarding operations, we shall widen the spectrum of training programmes, improve the curriculum design, extend the training hours, incorporate workplace experience, strengthen employment support services, enhance training quality and cost effectiveness, so as to provide high quality training courses to our trainees. As a result, our trainees would not only be able to improve their skills, but also attain recognised qualifications for personal development.

(I) Diversify the scope of training courses to cater for new target groups

5.2 With services expanded to cover Hong Kong residents aged 15 or above and with education level at sub-degree or below, the ERB will undertake greater responsibilities for the human resources development of Hong Kong. In order to provide more diversified courses to cater for the training needs of different people and to make available to them more choices, we shall invite more quality

and experienced providers in vocational training or professional bodies to participate in our retraining scheme. When developing new courses, we shall take into consideration the existing programmes funded by the Government and shall coordinate with other training institutions and government departments to avoid overlapping services and to achieve synergy in the provision of training and employment support.

- 5.3 At present, we develop new training courses mainly in two ways:
 - (a) The Executive Office researches into market information for ascertaining new courses with potential. After consultation with employers of the relevant industries as well as training institutions, the Executive Office will develop standardized training curriculums for delivery by training bodies.
 - (b) After identifying employment opportunities through their networks at the district level, training bodies develop their own new courses to meet such manpower demands.
- 5.4 We introduced in April 2007 an incentive scheme encompassing the "Subsidy for Course Development" and "Subsidy for Training Facilities". These grants, coupled with more flexible placement targets for new courses on pilot run, as well as increasing the number of new pilot courses and participating training bodies, aim at encouraging training bodies to pro-actively develop new courses for our original target trainees (i.e., people aged 30 or above and with education up to Secondary 3 level). We shall continue to offer these initiatives in view of the encouraging results achieved.
- 5.5 We expect that the variety of our courses will increase with more training institutions of various backgrounds joining the retraining scheme. At the same time, the Executive Office will strengthen the development of standardized courses. There are also plans to conduct detailed analysis on the manpower demand in various industries including finance, accounting, hotel, tourism, healthcare, child care, exhibition, logistics, merchandising, catering, retail, beauty care, etc. so as to facilitate us to develop new courses that can better meet the needs of the market and the users.

(II) Improve training content and extend training hours

- 5.6 The ERB has been working closely with employers, employees, professional bodies and training bodies in course development. There are Trade Advisory Groups to examine the direction of course development and curriculum design. In support of the Qualifications Framework (QF), the Executive Office will make reference to the "Specification of Competency Standards" (SCS) developed by the respective Industry Training Advisory Committees (ITACs) in devising training curriculum.
- 5.7 Formulation of SCS is an important aspect for the development of vocational qualifications and the related quality assurance. The ERB will work closely with the ITACs and industries to develop SCS-based courses so as to assist the Government to promote the QF.
- 5.8 In developing skill-based courses, we shall formulate the curriculum, QF level, number of credits and class contact hours of new courses with reference to the SCSs. For industries with no SCSs defined yet, we shall map the number of learning hours and credits against the QF requirements based on the training needs of different jobs, so as to facilitate future accumulation and transfer of credits and to foster continuous and life-long learning. To support this approach of course development, we shall work closely with the tertiary institutions and professional bodies to seek their recognition of the credits obtained under our training scheme, and to provide articulation pathways for our trainees to pursue further studies.
- 5.9 At present, the duration of placement-tied retraining courses ranges from 50 to 248 hours. All along, we have been receiving comments from training bodies and trade advisors that the trainees should be given more time to develop, practise and consolidate the skills learnt. To address the issue, the Executive Office will extend the training hours to allow more time for trainees to receive guided practical training when new placement-tied courses are developed. There will also be extra learning time for more complex concepts and for the development of soft skills (training for the betterment of personal attributes). In this way, our trainees will become well-

equipped for employment after graduation and chances that they will stay on with the employment will also increase. The Executive Office will also review the design of all existing training courses, revise the curricula and extend training hours as appropriate having consulted the stakeholders and the related industries.

(III) Provide training on generic skills to enhance the overall quality of the work-force

- 5.10 Apart from equipping trainees with specific vocational skills for employment, we also aim at enhancing the overall quality of our work-force through our training courses. Given the rapid development of our technology today, this consideration is important and individuals would need to be able to pursue life-long learning and acquire knowledge in breadth as well as depth in order to stay competitive in the employment market. The provision of training on generic skills therefore focuses on skills that are applicable across industries.
- 5.11 At present, all standardized retraining courses consist of job specific skills training as required by the relevant industries, as well as training for the betterment of workplace and life skills and strengthening of personal attributes like interpersonal and communication skills, customer service skills, etc. To further improve our standardized courses and help us develop courses on the generic skills, the Executive Office will consult local employers on the generic skills required for the different jobs in different industries.
- 5.12 Generally speaking, training on generic skills focuses on interpersonal and communication skills, problem solving skills, continuous learning skills, personal growth, planning and organizing skills, analytical skills, work attitude, etc. These are also the attributes employers require of their employees. So it is suggested that the training hours for generic skills training in the existing standardized courses should be extended. (Please refer to Table 5.1.)

At present, about 14 hours of soft skills training are offered in standardized courses.

Table 5.1: Improvements Recommended for Training on Generic Skills

Existing contents	Proposed contents			
Knowing yourself	Core Modules			
Image-building	Knowing yourself and self-management (self-image, life planning, time management, financial			
Communication and interpersonal skills	planning, self-learning, values related to life/family/career)			
Team spirit	Analytical Thinking and EQ (decision making, creativity, problem-solving, crisis			
Job adaptation and stress management	management, emotional quotient, facing adversity, stress management)			
Customer services	Service culture and work skills			
Service culture	(work attitude, job adaptation, professionalism, integrity)			
	Communication and interpersonal skills			
	Team spirit			
	Electives (flexible combination)			
	Other modules (interview skills, job search skills, leadership, occupational safety and health, first-aid, community support services, Employment Ordinance, MPF, self-employment knowledge (e.g. taxation, business registration, customer networking))			
Total: 14 hours	Training hours required will depend on the needs of individual courses and target trainees			

5.13 It is suggested that all the standardized skills training courses should include the core modules like work attitude, job adaptation,

communication skills, emotional quotient, time management, professional ethics and integrity, etc. Other job specific or course specific generic skills requirements are to be incorporated in the related courses as electives. This principle would apply to the development of new skills courses as well. Apart from being part of the standardized courses, the training on generic skills can also be offered as stand alone non-placement-tied courses for those who need such training.

- 5.14 On the other hand, the Executive Office plans to revamp the part-time non-placement-tied courses on English, Chinese, Putonghua, Numeracy, and Applied Information Technology with reference to the SCSs developed by the Education Bureau for these areas on QF Levels 1-4. As such, a benchmark for training in these areas will be established which in turn will strengthen the training to be provided.
- 5.15 We wish to enhance trainees' competitiveness, employment sustainability and upward mobility through training on generic skills, including training for the betterment of personal attributes and foundation skills (i.e., languages, numeracy, applied information technology). The main purpose of training on generic skills is to invest in people and to uplift the overall quality of the work-force. In 2008-09, the Executive Office will develop courses on generic skills at various levels and with different learning modes to suit the needs of different trainees. In developing the courses, reference will be made to the QF so that clear learning pathways can be provided for our trainees. After graduation, trainees will be awarded recognised qualifications. As such, the trainees can pursue further studies by phases according to their abilities and needs.

(IV) Incorporate workplace experience in training courses

5.16 When the unemployed re-join the work-force through our scheme, they need to adapt to new working environment and culture. On the other hand, some employers have reservations about employing people who may have little or no relevant working experience. Post-natal (confinement) care workers and child care workers are

typical examples. This phenomenon creates barriers for our graduates in seeking employment. In view of the situation, we plan to introduce the concept of "Work Experience" to allow our trainees of different trades to put the knowledge and skills that they learnt into practice in a real working environment before they embark on a job. By so doing, employers' confidence in our graduates will be strengthened. In fact, this arrangement was well received in the one-year (November 2006 to October 2007) pilot Work Experience programme at our "3R Zone" Healthcare Massage Centre. Through questionnaire survey, customers were found generally satisfied with our trainees' performance, and trainees also found the programme useful for improving their skills and increasing their confidence in joining the trade.

- 5.17 To improve the employment opportunities of the graduates of "Postnatal Care Worker" and "Child Care Worker" training courses, the Executive Office is working with social services organizations to implement the Work Experience programme which allows our graduates, who have passed the standardised skills assessment, to take up voluntary child care services at child care centres or nurseries. Through the programme, our graduates will be able to practise and polish their child care skills through actual work experience and contribute to creating a caring community in Hong Kong by participating in voluntary work.
- 5.18 To allow more trainees of different trades to have opportunities to apply their knowledge and skills in a real working environment before employment, the Executive Office plans to promote the Work Experience programme to public and private organizations, and social enterprises. By providing our graduates with working experience under supervision, their knowledge on the practical work procedures will be broadened, and their communication and service skills will be strengthened.
- 5.19 In principle, the Work Experience programme is applicable to all skill-based training courses. The mode of operation should, however, be flexible to tie in with the nature of different training courses. The length of the programme should not be too long so that trainees can

join the labour market as soon as possible, and to prevent abuse by some employers. The Executive Office proposes that the duration of the Work Experience programme should be no longer than 2 weeks. Participation by graduates (trainees who have completed the training course and passed the related skills assessment) in the programme is voluntary.

- 5.20 As the Work Experience programme is considered as an extension of training, participating trainees will be eligible for retraining allowance to be paid by the ERB according to the number of actual days of work under the programme. Accordingly, there is no employment relationship between the employers and the trainees. The employers should arrange jobs to trainees that are relevant to the training courses that they have completed, and commit to providing guidance to the trainees through mentoring. Apart from providing guidelines and regulations for the programme, we shall also arrange insurance coverage for the participating trainees.
- 5.21 As a start, we plan to provide 3,000 Work Experience places in 2008-09 for the job types which normally require job applicants to have relevant work experience. Should the programme be well received and supported by employers, the number of places in 2009-10 and thereafter can be increased.

(V) Reinforce placement support services for people with special employment difficulties

5.22 Currently, training bodies are required to provide for placement-tied courses employment support services which last for 3 months⁸, including career counselling, job matching and referral, etc. In order to strengthen the employment support services for the disabled, people recovered from industrial accidents and ethnic minorities, the placement follow-up period for training courses specially designed for them is extended to six months.

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In accordance with the discussion and proposals in paras 5.38-5.39, the placement follow-up period for general placement-tied courses will be extended from 3 to 4 months.

- 5.23 For trainees with special employment difficulties who fail to take up employment after the completion of placement follow-up period, it is suggested that a top-up "Job Search Skills Training" be offered to these individuals after assessment, to help them further upgrade their personal qualities, enhance their employment desire and career aspirations, and build up positive working attitude. There will be another four-month employment support services for this top-up course.
- 5.24 In addition, we shall also explore setting up an "On-the-job Training Programme" whereby graduates are provided with training allowance that is time-bound and with an upper limit. The programme aims at raising graduates' confidence in work and improving their ability to stay on with their jobs. After they have secured a job through assessment and referral by their respective career counsellors, the training bodies should provide them with post employment support services, including liaison with employers on their performance and provision of counselling and support to address their work and psychological needs. In designing the programme, the Executive Office will draw reference to similar schemes being offered so that the programme may be implemented as a complement to other schemes.

(VI) Pilot one-stop training cum employment resource centre

- 5.25 In December 1999, the ERB established its first Retraining Resource Centre (RRC) in West Kowloon (Jordon). In March 2000, the second RRC was set up in East Kowloon (Lok Fu). Through the RRCs, we offer participants of the Employees Retraining Scheme services in continuous learning and employment support. In November 2005, the RRC in Jordan was relocated to Lai Kok Shopping Centre in Cheung Sha Wan and renamed as Cheung Sha Wan Retraining Resource Centre. The service targets of the two RRCs are our retrainees and those on the waiting lists of retraining courses.
- 5.26 The RRCs operate daily from 9:30 am to 9:30 pm (including public holidays) year-round. Services and facilities available to members

include computers, multi-media facilities, workshops, seminars, study groups, support groups, etc., which facilitate members to enhance their self-learning and life-long learning abilities. In February 2007, 'Job Vacancies Enquiry Terminals' of the Labour Department were installed in the two RRCs to help members keep updated with job vacancies in the market.

- 5.27 All along, the performance of the two RRCs has been satisfactory, with the monthly facilities utilization rate and activities attendance rate exceeding 80%. According to the results of the biennial users opinion survey, users interviewed generally agreed that the services and facilities available at the RRCs had helped improve their computer skills, self-learning motivation and confidence in seeking employment. Furthermore, the support groups organized by the RRCs have promoted learning and sharing among members.
- 5.28 In his 2007-08 Policy Address, the Chief Executive announced the introduction of a pilot scheme to trial the one-stop employment support mode. In this connection, we are happy to set up a pilot "One-stop Training-cum-Employment Resource Centre" (the "Centre") to provide comprehensive services to both job seekers and employers. In the long run, the development of these Centers can be multi-faceted, depending on the different needs of the different districts.
- 5.29 It is suggested that the Centre may provide services in a three-tier mode. At the first level, basic services may be provided to self-help users who are looking for self-enhancement activities or employment opportunities, including updated information on the employment market, vocational skills training and self-learning resources. At the second level, advisory services on training, employment and job change may be provided. Assistance may also be offered to users on the use of self-learning resources and other facilities in the Centre. The third level may involve case management services. On a need basis, individuals will be assessed on their career aspirations. Based on the capability and interest of the individual, staff of the Centre will work out with him his career plan and objectives, and provide him with referral services in

training and employment, career counselling and job matching services as appropriate. The users may also participate in the workshops and seminars organized by the Centre where they can build up mutual support and exchange encouragement with other job seekers.

- 5.30 In the Centre, there will be a full range of office equipment and reference materials for use by the job seekers when they have to prepare their resumes and contact prospective employers. The Centre may also serve as a contact point for users to communicate and exchange the latest market information, the mutual support and encouragement among job seekers. For users who have already secured employment, they may serve as volunteers of the Centre and provide support and encouragement to other job seekers by sharing their job seeking experiences. Apart from providing different services to meet the needs of different communities, there may also be 'service corners' with different specialties in the Centre to cater for the needs of specific groups of people, e.g. the disabled, new arrivals and ethnic minorities.
- 5.31 Furthermore, as a special pilot project within a pilot scheme, related departments may refer people with special employment difficulties to the Centre. Special support services for them will be designed with reference to their background, and the support services previously provided to them. With the aim of rekindling their interest for employment, the Centre will attempt to serve them through innovative means.
- 5.32 To make use of the opportunity of the relocation of Cheung Sha Wan Retraining Resource Centre in August 2008 due to expiry of lease, we intend to run the pilot scheme in the mode suggested above in Sham Shui Po. Starting from 2009-10, we may establish more RRCs by phases having regard to the experience of the pilot scheme and the mode of One-stop employment support services to be adopted by the Government.

(VII) Enhance quality assurance and cost effectiveness

5.33 The Employees Retraining Board has all along been concerned about the quality and cost-effectiveness of its retraining courses, which are operated under the market-led principle. Since 2000-01, the appropriation of funds for all retraining courses are tied to various key performance indicators for training bodies.

Allocation Mechanism of Training Places

- 5.34 The existing "Allocation Mechanism of Training Places" is a five-stage pre-vetting and marking system. Training bodies are awarded marks for individual retraining courses based on their performance against established performance indicators, service quality, unit cost and results of management audits. Training places for a certain type of courses are allocated to training bodies in accordance with the marks awarded to them for that particular type of courses. This mechanism aims to ensure that courses are conducted cost-effectively.
- 5.35 In line with the development of the QF and the requirements of the newly-established Hong Kong Council for Accreditation of Academic and Vocational Qualifications in respect of the quality of training courses, we intend to further improve the existing allocation mechanism of training places to attach greater emphasis on the quality assurance of the training courses, with the ultimate aim to help build a brand name for our courses. We propose to include in the mechanism factors that measure the effectiveness and quality of courses, such as trainees' skills assessment results, the evaluation results of class observation, training bodies' internal quality assurance standards, the results of evaluation of the training facilities and support services conducted by the Management Audit Section of the Executive Office, and the benchmark and accreditation of courses. We shall also revise the definition of "placement rate", and inject elements of rewarding those training bodies that actively provide innovative training courses or services in the allocation mechanism.

5.36 Since the allocation mechanism of training places has far-reaching implications for training bodies, the Executive Office will consult the relevant parties in the hope of reaching a consensus on the new mechanism as early as possible. In the mean time, we shall introduce minor adjustments to the existing mechanism to reflect the importance placed on quality of courses, as well as development of courses and services.

Definition of Placement Rate

- 5.37 At present, the ERB adopts the following benchmarks for the placement rate of different types of courses:
 - General placement-tied courses: 70%
 - Tailor-made courses: 80%
 - Courses for ethnic minorities and pilot courses: 50%

Separately, the placement relevancy rate for all placement-tied courses is benchmarked at 60%.

- 5.38 With the aim of achieving sustainable employment, we propose to re-define the placement rate to become: "a trainee is regarded as being successfully placed if he has worked on average 4 hours per day for 20 days or more over a span of 30 days within the employment follow-up period, irrespective of the number of employers he has worked for during the period". This proposed new definition has taken into consideration that trainees would need time to look for jobs and attend interviews, etc.
- 5.39 Trainees of courses for such casual work as domestic helpers and healthcare masseurs may wish to work on a part-time basis in order to spare time to take care of their families. Therefore, it is suggested that the placement rate for these courses be calculated more flexibly. In this regard, a trainee is regarded as being successfully placed if

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⁹ Taking into account the fact that trainees may only be placed at the later stage of the employment follow-up period, the employment follow-up period for general placement-tied courses will be extended from 3 to 4 months. As for training courses for the disabled, people recovered from industrial accidents and ethnic minorities, the employment follow-up period will remain as 6 months.

- "he has worked for a total of 20 days or more within the employment follow-up period, irrespective of the number of employers he has worked for and the number of working hours per day during the period".
- 5.40 The proposed changes aim to promote the spirit of sustainable employment. It is considered that trainees would have successfully built a mindset and habit of continuous employment if they can work for 20 days within a span of 30 days (i.e. about 1 month if the weekly rest days are excluded). Hence, the revised definitions of placement rate can better reflect the outcome of training.

Quality Assurance

- 5.41 In view of the tremendous expansion of its target trainees and scope of training courses, the ERB will invite institutions and organizations with different specializations and ample training experiences to become its recognized training bodies. In vetting applications from educational institutions, professional bodies or other organizations, the Executive Office will examine the applicant's background, financial status, adult education and vocational training experiences, placement services, employer networks, quality of instructors and training facilities, as well as the possible contribution that the applicant can make to the Employees Retraining Scheme. After considering all the relevant information, the Executive Office will make recommendations to the Course Development Committee of the Board as to whether the applicant should be accepted to become our recognized training body and offer our training courses.
- 5.42 Apart from enhancing the quality of training courses and expanding the scope of service, we shall also require all training bodies to have proper internal quality assurance mechanism. While most of the tertiary institutions' continuing education arms should already have more established internal quality assurance mechanisms, the Executive Office will provide assistance to other training bodies to set up their own mechanisms and will from time to time check their

- quality assurance work to ensure the quality of training courses.
- 5.43 In accordance with the quality assurance requirements under the QF, we shall collaborate with the Hong Kong Council for Accreditation of Academic and Vocational Qualifications to conduct accreditation of all new courses developed as a result of the expansion of our service targets in accordance with the stipulated procedures. This is to ensure that all our courses can be uploaded onto the Qualifications Register (to be formally launched in 2008). All costs related to accreditation will be borne by us. For courses to be provided by the continuing education arms of self-accrediting tertiary institutions, the quality assurance of these courses will be taken care of by their parent institution and the relevant quality assurance agencies.
- 5.44 Post-training assessment is an important element in quality assurance. Assessment results should be tied to the qualifications to be awarded. Apart from reflecting the learning outcomes, assessment results also reveal the appropriateness of course contents and the quality of training facilities and teaching, which are crucial for assessing the quality of courses. The Executive Office will explore how to improve the existing assessment system further, including the strengthening of coordination of assessments, in order to safeguard the quality of our courses.

Chapter 6 Key Objectives (III)

Invest in people Construct learning pathways
Support enterprises Create win-win situations

- ◆ Encourage self-improvement, provide clear learning pathways
- ◆ Strengthen the articulation of training courses and offer training on skills upgrading
- Strengthen partnership and consultative networks with industries
- Provide recruitment and training services to employers
- ◆ Make use of the Retraining Allowance effectively
- ◆ Establish service brands, create employment opportunities, incubate social enterprises
- Support social enterprises by providing them with business development and skills training
- 6.1 With the development of the Qualifications Framework (QF), we should help the work-force of Hong Kong to strive for self-enhancement and skills upgrading. So in charting the direction for course design and development, consideration is given to their skills training needs in a knowledge-based economy, with an objective of continuously improving their competence.
- 6.2 In view that many jobs are providing personal services, such as domestic helpers and masseurs, and that many of our trainees are unable to afford the high rents of commercial shops, the most cost efficient way of providing such services is therefore through self-employment and provision of services at the premises of the service users. Hence, we shall provide trainees with training on business development and operation to help them run their own businesses. Besides, we shall create employment opportunities for our trainees through supporting social enterprises that employ them.
- (I) Encourage self-improvement, provide clear learning pathways
- 6.3 To assist our trainees to avoid repeated learning, we shall establish

clear learning pathways through defining the levels and sizes of different training courses. In this way, trainees can systematically accumulate the credits of different training courses for better planning of future training. By doing so, we wish to contribute to the development of a credit accumulation and transfer system under the QF.

- 6.4 To further minimize repeated learning, we shall modularize our standardized courses and assign credits to each module so that when our trainees attend different skills courses, they can skip the modules that they have taken before. For articulation, trainees can study our skills upgrading courses in future. The Executive Office will work with the continuing education institutions on providing articulation pathways for them to facilitate the step-by-step realization of their stretched learning objectives.
- 6.5 Hence, one of the priority tasks of the Executive Office is to review all the training courses and define for each course its QF level and award title. All along, most of the retraining courses are QF Level 1 courses, with some at QF Level 2. With the expansion of our trainee targets to Hong Kong residents with education at sub-degree level or below, we shall need to increase the breadth and depth of our training courses through collaboration with more post-secondary educational institutions and professional bodies. Our aim is to facilitate our graduates to meet the entry requirements of more advanced courses through seeking recognition of the certificates and credits of our training courses.
- 6.6 With expansion in our trainee targets, new employment opportunities in different industries and job types will arise. To meet the needs of different industries and job types, the Executive Office will invite more relevant and experienced training institutions, which can meet our quality assurance requirements as well as those of the Qualifications Register, to join our training scheme and help develop and provide more new courses.

(II) Strengthen the articulation of training courses and offer training on skills upgrading

- 6.7 In 2001, the Government set aside \$400 million for the establishment of the "Skills Upgrading Scheme" (SUS) with an objective of enhancing the competitiveness of elementary workers in the market. Through providing them with focused skills training, they will be equipped with the updated skills for employment. The VTC was commissioned to coordinate and oversee training institutions that provide the courses under the SUS. So far, 25 industries have participated in the SUS. The Government sponsors 70% of the cost of the courses, and the remaining 30% is borne by the trainee and/or his employer.
- 6.8 Whilst the ERS in the past mainly provides training services to the unemployed, the SUS provides skills upgrading training to the elementary workers. If the design and articulation of the courses of the two schemes can better tie in with one another, there will be greater benefits to both the employers and employees. Furthermore, consultation with the industries in relation to the courses of the two schemes can be conducted together. Besides, when training institutions provide courses for a particular industry, there can be more coordination and alignment in the development of training materials and the operation of service provision. As a result, the utilization of training resources will be more effective.
- 6.9 For these reasons, we started in mid-2007 cooperation with the SUS in the provision of courses for specific industries. Through joint meetings, pre-employment training for the unemployed and training on skills upgrading for the employed are developed together, so as to define clearly the QF level of different courses and the progression from one course to another.
- 6.10 In future, we shall be pleased to provide skills upgrading courses on a part-time basis to help employees enhance their value in their industries. The main service targets will be small and medium enterprises and social enterprises. Regarding funding, it is proposed that 70% of the cost of the courses will be sponsored by the ERB,

- and the remaining 30% to be borne by the trainee and / or his employer. As for social enterprises, we may consider sponsoring the full cost of the courses.
- 6.11 For individual employees who wish to improve their employability or change occupations through training, i.e. attending courses of industries other than that they are working for, we may consider sponsoring part of the cost of the courses, with the rest to be borne by the trainee. To avoid abuse of resources, we shall develop a set of comprehensive and practical administrative rules whereby the entry requirements of the courses and the number of courses that can be attended by individual employees will be defined.

(III) Strengthen partnership and consultative networks with industries

- 6.12 To strengthen our partnership and consultative networks with industries, it is proposed to reorganize the existing Trade Advisory Groups, Course Steering Groups and Course Advisory Groups into the Industry Consultative Network (ICN). Members of the ICN will include industry representatives who have insights into and commitment in the development of the industry and its manpower, including employers, professionals, employees and training institutions. To allow the ICN to be more representative and to have more room for development, there will be no hard and fast rule on the number of members for the ICN. Representatives of the relevant Government departments may also be invited to attend the meetings of the ICN as and when necessary.
- 6.13 All the ICNs are responsible to the Board, with proposed terms of reference as follows:
 - To advise on the market needs, employment prospects and skills requirements of different job types at different levels of the industry;
 - (ii) To advise on the level, target trainees and objectives of relevant courses at QF Level 1-4;

- (iii) To advise on aspects of relevant courses like the content, instructors' qualifications requirements, teaching and learning, duration, assessment and quality assurance;
- (iv) To conduct class observations in order to assess whether the training bodies can meet our standards on teaching and learning, report on class observation results and suggest improvement measures; and
- (v) To review courses regularly to ensure their quality and that they can meet the needs of the industry.
- 6.14 To ensure that courses offered are widely recognized, participation of the industries is very important. It is suggested to set up 24 industry-based ICNs with reference to the learning/training areas of the Qualifications Register. The 24 ICNs include Medical and Personal Care; Household Services; Commerce and Management (General); Environmental Hygiene; Hotel; Tourism; Property Management; Beauty Care; Hairdressing; Horticulture and Flower Arrangement; Import and Export; Retail; Banking; Insurance; Information and Communications Technology; Education and Recreation; Performance and Entertainment; Watches, Clocks and Jewellery; Social Sciences and Services; Electrical, Mechanical and Interior Decoration Services; Printing and Publishing; Catering; Transport and Logistics; as well as Garments and Textiles. At present, these 24 ICNs have already included the 12 industries which have established their respective Industry Training Advisory Committees under the QF. We shall increase the number of ICNs when future needs arise.

(IV) Provide recruitment and training services to employers

6.15 Apart from providing training and placement services to trainees, we also provide services to employers, including recruitment of suitable candidates to fill their job vacancies. Career counsellors of training bodies recommend suitable graduates to employers in accordance with the job needs, as well as the experience and skills of the trainees. To facilitate the expeditious matching of information of the

- employers and job seekers by training bodies, we have in place an internet-based information system. Since 2001, the system has been linked up with the computer system of the Employment Services Centres of the Labour Department for exchange of information on job vacancies and improving the efficiency of employment services.
- 6.16 All along, we have been providing employers with tailor-made courses. Employers or employer associations can apply to us or training bodies for tailor-made courses if they have 15 or more vacancies in a particular job position.
- 6.17 Contents of the tailor-made courses are jointly developed by the Board, the employers and training bodies to help ensure that the courses can meet the needs of the employers. Besides, employers can participate in selecting applicants for attending the courses. Moreover, trainees can become familiarized with the working environment during training. After training, employers are required to employ at least 80% of the graduates. As tailor-made courses are tied to actual job vacancies, both employment and retention rates have been very satisfactory. In recent years, employers of a wide range of industries have applied for tailor-made courses, e.g. hotel, tourism, estate agents, catering, cleaning, retail, home entertainment, etc.
- 6.18 With the expansion of our target trainees, it is expected that the demand for tailor-made courses will increase significantly. Industries which used to employ younger people, like beauty care, hairdressing, club management, tourism, logistics, retail, entertainment, catering, etc, can provide many more job vacancies of different nature and at different levels. We are prepared to reinforce our efforts to this end, in particular, in serving the SMEs and social enterprises.
- 6.19 In the longer term, we shall identify the training needs of fast growing industries, and formulate comprehensive and appropriate training plans. As such, we shall help build a work-force with higher quality and competence for Hong Kong. Based on our experience in developing and organizing different courses for different industries,

we may consider the provision of 'Organisational Human Resources Health Check' service to employers on a pilot basis to help improve their competitiveness. The service may include the design, development and implementation of pre-employment training and training on skills upgrading.

(V) Make use of the Retraining Allowance effectively

- 6.20 According to the 'Employees Retraining Ordinance', the Board has the following authority:
 - Payment of retraining allowance to trainees, and
 - Determination of the criteria for attending retraining courses and for receiving retraining allowance, and the amount of retraining allowance payable to trainees.
- 6.21 At present, the maximum limit of retraining allowance per trainee is \$4,000 a month. Retraining allowance is currently paid to trainees of full-time placement-tied courses which last for more than a week. With attendance reaching 80% or above, trainees are paid retraining allowance at the rate of \$153.8 per day¹⁰ and in accordance with the actual number of days of attendance.
- 6.22 Retraining Courses at Higher Levels All along, we have been providing retraining courses to the unemployed with education up to Secondary 3 level. These courses are mainly pitched at QF Level 1, with a small number at QF Level 2. To meet the needs of the new trainee targets with higher education level, we shall offer courses at QF Level 3 to 4. In view of the relatively high costs of training, there will be no retraining allowance for clients attending courses pitched at QF Level 3 and Level 4.
- 6.23 Retraining Courses for the Younger Unemployed All the existing courses are mainly designed for the unemployed at age 30 or above and with education up to Secondary 3 level. Most of these courses are pitched at QF Level 1. So these courses may not suit the needs of

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 $^{^{10}}$ \$4,000 \div 26 = \$153.8

the those aged below 30. We shall thus need to develop new courses to meet the needs and career aspirations of the younger target group. In future, we shall specify in the course prospectus the recommended age bracket, QF level, award title, articulation pathways, etc. of each course for reference of the applicants. Besides, training bodies will assist applicants in the selection of appropriate courses through assessing their aptitude and inclination regarding their career development during the admission interviews, and providing them with career counselling.

- 6.24 To encourage the unemployed to participate in training and in turn contribute to the society soonest possible, retraining allowance at the existing level (i.e. about \$150 per day) is suggested to be payable to those clients attending full-time placement-tied courses pitched at QF Level 1 and 2 (except special schemes). This recommendation also applies to those aged below 30 as we consider that in the face of their upcoming lengthy career life, it is the prime time to learn and consolidate skills at such young age. However we fully appreciate that this is a controversial issue and we would like to hear views from the public.
- 6.25 All other existing arrangements regarding payment of retraining allowance, including retraining allowance is just for the unemployed who attends full-time placement-tied courses, and the actual amount of retraining allowance paid to the trainees is based on attendance, remain unchanged. For more effective use of resources, we intend to tie payment of retraining allowance with assessment results, so as to encourage trainees to complete the courses and obtain recognized qualifications. On the other hand, for the future skills upgrading courses to be attended by the employed, there will be no retraining allowance. In addition, we expect that new training schemes will be offered to meet the changing training needs brought by economic restructuring. It is proposed that retraining allowance for all future special training schemes should be considered on a case-by-case basis.

(VI) Establish service brands, create employment opportunities, incubate social enterprises

- 6.26 In February 2002, we introduced the Integrated Scheme for Local Domestic Helpers (家務通) (the "Scheme") to improve employment opportunities for the low-skilled unemployed, particularly the middle-aged females. Under the Scheme, there are 13 service centers in 6 regions¹¹. Through our overall coordination, training bodies operate the Scheme in designated regions by providing one-stop employment, referral and follow-up services to employers and local domestic helpers in the region.
- 6.27 Development of the Scheme is maturing as the brand name consolidates in the market and becomes more and more recognized by the Hong Kong community. At present, the average number of registered vacancies is more than 4,000 each month, with placement rate exceeding 60%¹². In 2006-07, there are a total of more than 13,000 domestic helper and related courses¹³ graduates, with an average of about 1,100 graduates each month. From responses obtained from surveys on registered employers in the past two years, more than 80% of them expressed that they would employ local domestic helpers through the Scheme again. Increasingly, registration of vacancies under the Scheme include not only household cleaning, but also post-natal, child care as well as elderly care services.
- 6.28 According to the report on "Population Distribution Projections" released by the Planning Department in October 2006, the population of age 0-4 would increase from 255,000 in 2006 to 265,000 in 2015, representing a 4% rise. The biggest share would go to the New Territories, taking up about 150,000, and the remaining 83,000 and 33,000 would be in Kowloon and the Hong Kong Island

The 6 regions are (1) Hong Kong Island and Outlying Islands, (2) Kowloon West, (3) Kowloon East, (4) New Territories West (i), (5) New Territories West (ii), and (6) New Territories East.

Main reasons for unfilled vacancies are low wages offered, inconvenient working places, special skills requirement and/or odd hours.

Domestic helper and related courses include post-natal care worker and child care worker courses. Elderly care worker courses are classified under the health care category.

respectively. These figures indicate that there would be increasing demand for post-natal care services, particularly in the New Territories. Further, to encourage parents to give birth to more babies, additional tax relief measures were introduced in the 2007-08 Budget¹⁴ released in February 2007 to alleviate parents' burden in raising children. This incentive, coupled with the economic growth of Hong Kong, may help boost up the birth rate.

- 6.29 Separately, accordingly to the "2006 Population By-census" released by the Census and Statistics Department in February 2007, of the Hong Kong working population in 2006, the number of female employees increased by more than 390,000 when compared with that ten years ago, whereas the corresponding increase of the male employees was only approximately 30,000. The ratio of females participating in the employment market rose from 47.8% in 1996 to 52.6% in 2006. Such marked increase in the number of working females, coupled with the longer and longer working hours, imply that employers would welcome more flexible and tailor-made household services.
- 6.30 On the other hand, it is anticipated that the demand for elderly care services would increase with the aging population in Hong Kong. As the Hong Kong economy and quality of medical care improve, more emphasis would be placed on community health care. As a result, the well-off elderly are expected to stay at home instead of residing in the homes for the elderly. So demand for elderly care services at home should increase.
- 6.31 Based on the above, we see that there is much room for development in household services. With experience gained from the building of the brand name of the Scheme, we believe that we can expand our services to provide one-stop household referral services and create more employment opportunities for our graduates. So, we shall continue to develop standardized courses on post-natal care workers, child care workers, household elderly care workers,

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According to the '2007-08 Budget', child allowance was raised from \$40,000 to \$50,000. Further, parents are eligible for an extra one-off \$50,000 child allowance for each baby born in the respective tax year.

- household maintenance workers and other household services so that we can provide the market with professionally trained graduates.
- 6.32 In the first half of 2008, we plan to strengthen the brand name of the Scheme to provide one-stop referral household services. Referral services will include post-natal care, child care, elderly care, support for attending medical appointments, preparation of meals, care for plants/pets, household maintenance work, horticulture, pest control, stand-in service for foreign domestic helpers who are on leave, etc. The Scheme will be re-branded as the "One-stop Integrated Household Services" (家居一站通) to reflect the expanded scope of services.
- 6.33 As the 13 service centers of the Scheme have been operating well, have accumulated much experience in providing services to employers of the respective regions, and have established local employer networks, it is recommended that the "One-stop Integrated Household Services" should operate in a similar manner by providing free referral services to both the employers and our graduates. At the same time, the Executive Office may explore with organizations interested in the service the feasibility of operating the service centers in different modes, including in the form of social enterprises.
- 6.34 Based on the model of the Scheme, we have been establishing employer networks and providing free one-stop referral services to identify more employment opportunities for the graduates of massage courses via the "Healthcare Massage Integrated Scheme" (保健通) (HMIS). Through acquiring experiences from a series of pilot schemes, like providing massage services in clubhouses of housing estates, commercial enterprises and shopping malls, '3R Zone' (鬆一Zone) and the fund-raising activity for the Tung Wah Group of Hospitals known as the 'Charity Healthcare Massage Services' (保健通慈善鬆一鬆), we have developed a brand name for the HMIS as well as incubated social enterprises of the '3R Zone' Massage Shop and the home-based HMIS.

- 6.35 The '3R Zone', located in New World Centre, Tsim Sha Tsui, has been operated on a pilot basis for one year. We consider that the objective of providing workplace experience to our trainees through practising at the '3R Zone' has been achieved with good results. Hence, we have decided to change the operational mode of the '3R Zone' to be self-financed. With the '3R Zone' established as the flagship shop of the HMIS, its sustainability as a social enterprise in the market can be tested out. Through tendering, the Executive Office selected a training body to run the '3R Zone' in the form of a social enterprise.
- 6.36 Besides, we plan to introduce the home-based HMIS, a service totally new in Hong Kong with an operational mode that can avoid the high commercial shop rents. Graduates are employed by training bodies which run the HMIS as a social enterprise. The training bodies provide massage at home service in accordance with our service guidelines and standards and through prior appointment using the HMIS hotline. The Executive Office has completed the related tendering process and the pilot scheme for Kowloon West was launched in January 2008.
- 6.37 The Employees Retraining Board is in the process of registration of trademarks for the HMIS(保健通) and '3R Zone' (see diagrams below). Besides, we also provide trainees with pre-employment, self-employment, business development and related skills training, formulate guidelines on the operation of the HMIS, as well as manage and promote the brand names. On the other hand, participating training bodies or their social enterprises are responsible for the operation of the shops and referral services, provision of workplace experience opportunities to our trainees, and establishment of networks of clients. The social enterprises may also apply for a grant offered under the 'Enhancing Self-Reliance Through District Partnership Programme' of the Home Affairs Department as the start-up fund.

Diagram 6.1 Trademarks for "Healthcare Massage Integrated Scheme" (保健通) and '3R Zone' (鬆一Zone)



(VII) Support social enterprises by providing them with business development and skills training

- 6.38 In his 2007-08 Policy Address, the Chief Executive stated that the well-off should care for the disadvantaged so as to prevent the widening wealth gap from becoming a serious social conflict. He stressed that a new caring culture is needed in Hong Kong in this new era. More social entrepreneurs have to be nurtured to achieve the social goals with entrepreneurial thinking and commercial strategies. Through promoting the development of social enterprises by motivating a tri-partite collaboration among the Government, business and society, employment will be boosted.
- 6.39 We support the development of social enterprises so as to assist the underprivileged groups in obtaining employment. At the moment, a number of schemes operated by the Government provide assistance to social enterprises, including the 'Enhancing Self-Reliance Through District Partnership Programme' of the Home Affairs Department, 'The Community Investment and Inclusion Fund' of the Labour and Welfare Bureau and the 'Enhancing Employment of People with Disabilities through Small Enterprise' scheme of the Social Welfare Department. We are pleased to provide training to the prospective employees of social enterprises, in particular the provision of tailor-made courses to meet the specific needs of individual social enterprises. We shall continue to introduce to

successful applicants of the 'Enhancing Self-Reliance Through District Partnership Programme' the training services that we can offer.

6.40 On 20 December 2007, the Government organized a Submit on Social Enterprise and set an example for facilitating the development of social enterprises. Since social enterprise is a relatively new concept in Hong Kong, there are a number of questions that would need further exploration and discussion. We shall pay close attention to the development in the area and take appropriate actions to support it. We wish that the social enterprises can have stable business and income, and gradually transform into successful enterprises in the market. With expanded businesses, these social enterprises may be able to provide more employment opportunities for our graduates and render support to the newly established social enterprises. In this way, the disadvantaged, starting from being helped, will become self-helped and eventually helping others.

Chapter 7 Key objectives (IV)

Promote self-actualization Develop individuals' potential Be caring and understanding Instil social harmony

Provide appropriate training and employment services to the disadvantaged groups:

- Disabled people and people recovered from industrial accidents
- Non-engaged youths
- ◆ New arrivals
- Ethnic minorities
- Rehabilitated offenders

Pilot the "Community Harmony Course"

7.1 For reasons like poverty, bias, low education level or lack of skills, some people find it hard to integrate into the community, find a job, or have opportunities for education and training. Eventually they become de-motivated with no self-confidence, ending up as a burden of the society. Work can help people regain confidence, ascertain one's self-worth, and arise out of poverty. We hope to assist the disadvantaged groups in gaining the required training and opportunities through appropriate training and employment services, so that they may reintegrate into the society, strive for the well-being of themselves and their families.

(I) Disabled people and people recovered from industrial accidents

7.2 The ERB launched retraining services for disabled people and people recovered from industrial accidents back in 1993. Among the recognized training bodies, 15 specialized in the provision of training courses for them. In the past 5 years, there are fewer than 1,000 trainees enrolling in courses specially designed for them each year. We offer two major types of specialized courses: the first type is full-time placement-tied vocational skills courses, e.g. Call Sales

- Technique, Digital Typesetting and Design, Webpage Design and Production, Digital Photography and Video Production, etc.; and the second type is part-time generic skills courses, e.g. Computer Software Application, Workplace Putonghua, etc. There are also specialized courses for those who recovered from mental illness.
- 7.3 To enable the instructors to effectively follow up on individual trainee's progress, placement-tied courses for the disabled and people recovered from industrial accidents are generally of longer duration and smaller class size. Training bodies are required to conduct more in-depth assessment of trainees' ability to work and learn, and provide them with counselling on adaptation to and psychological preparedness for future employment. For skills training, to ensure that trainees can master the required skills, more time is allowed for practice, particularly in the key skills of the relevant trades, with due consideration given to individual physical conditions and learning abilities of the trainees.
- 7.4 To increase the opportunity of finding the right job for our trainees and facilitate them to be continuously employed, the 6-month placement services include training on adaptation, post-employment support, personal counselling and visitations. For trainees with special employment difficulties, special placement services (please refer to para. 5.23) can be provided to them. Besides the ERB, the Government, through different departments and organizations, is also providing employment and occupational rehabilitation services to the disabled. Through assisting them to acquire the skills required by the market, they are facilitated to obtain jobs that match their capabilities.
- 7.5 To enhance the employment follow-up services for the disabled and people recovered from industrial accidents, we shall continue to work closely with different Government departments, improve the design and development of courses, and include training on self-employment and business start-up. We may also increase the training places and introduce suitable comprehensive supported employment scheme. In addition, we hope to create more job opportunities for the disabled through supporting the development of social enterprises.

(II) Non-engaged Youths

- 7.6 The non-engaged youths generally lack work experience and have only low education. In an economy with focus on the development of high value-added output, their ability to earn for themselves livelihood, not to mention well-being, is very limited. Yet, with an aging population in Hong Kong, their productivity is highly critical for the sustainable development of our economy. It is thus very important and imminent that assistance be extended to them to help develop their full potential, so that our most valuable resources will not be left untouched.
- 7.7 The ERB has been concentrating it efforts in serving the unemployed at more mature age. Some of our existing courses like Hotel Room Attendants, Property Maintenance, Retail, Catering and Theme Park Assistants, etc. are also suitable for our younger service targets. We shall also develop new courses with longer durations to meet the aspirations and interest of the group aged 21-29.
- 7.8 For the unemployed in this group to have a better career life, we hope to improve their personal attributes and capabilities through a variety of strategies, including the provision of vocational training; strengthening of training on generic skills, especially career planning; and personalised employment support. Through offering them new full-time placement-tied courses, we hope that they can find jobs that suit their career aspirations and chart learning pathways for continuous improvement.
- 7.9 Our training programmes differ from other educational programmes (including the sub-degree programmes) as ours are employment oriented. To ensure no abuse of resources, the Executive Office will devise appropriate administrative measures in the provision of training services.
- 7.10 To effectively develop the youth, we shall partner with training institutions which have ample experience in the field and which possess extensive employer networks in the design and piloting of Youth Training Programmes for the group aged 15-20. Besides the provision of training on vocational skills and Foundation skills,

emphasis will be placed on training of personal attributes, nurturing of positive attitude towards life, confidence, discipline, and pursuit of excellence. Post-placement support services will be added on top of placement support in helping these individuals to adjust to the changes and demands at the workplace.

7.11 To provide more flexibility and appropriately reflecting the effectiveness of the pilot scheme, we suggest to include articulation to accredited and QF recognized full-time programmes¹⁵ as an alternative to job placement, one of the indicators for measuring the performance of training bodies. The pilot scheme will be reviewed two years after implementation. To provide incentive for the group aged 15-20 to leave the sad state of withdrawal soonest possible, appropriate amount of training allowance will be paid to those who attend the related training.

(III) New Arrivals

- 7.12 The One-way Permit system brings into Hong Kong approximately 55,000 new arrivals each year. According to statistics¹⁶, there were 241,000 new arrivals (residing in Hong Kong for less than 7 years) from the Mainland China in the fourth quarter of 2005, representing 3.5% of Hong Kong's total population. Most of them were female (73.7%) who came to reunite with their husbands. The median age of all new arrivals was 31, with 13 for the males and 34 for the females. As to education level, among the 174,600 aged 15 and above new arrivals, about two-thirds (68.3%) had secondary/matriculation education, 26.6% primary and below, and 5.1% tertiary.
- 7.13 Most of the new arrivals aged 15 and above indicated that they had no clerical skills, including English and Chinese typing skills, computer software applications, and accounting related skills. Over 90% of them indicated that they had no non-clerical skills. Neither

Excluding programmes offered by the ERB.

The Census and Statistics Department Topical Household Survey Report No. 28 (December, 2006).

- did they possess production management, construction related, garments/merchandizing, plumbing or electrical maintenance skills. In terms of language skills, only 1.5% of this group indicated that they did not understand Cantonese, 8.6% did not understand Putonghua, but 70% did not understand English.
- 7.14 The new arrivals have become a big and unique community, and they need to integrate into the local community as they turn to a new page in life. Both the Government and non-governmental organizations are providing them with diverse services. We have begun providing training services to the new arrivals since February 1997 as a result of the amendments made to the 'Employees Retraining Ordinance'. In particular, we have designed a training course named 'Job Search Skills' specially geared to the needs of this group to help them find jobs and adapt to the local labour market.
- 7.15 As most of the new arrivals lack employment related skills, enhancing both their vocational skills and generic skills is important to help them get a place in the employment market. We shall expand the scope of training in these areas (see Chapter 5) in the hope of increasing their confidence and chances of getting a job. In addition, we may also design new training course to supplement the existing 'Job Search Skills' course to better equip them for the local labour market (see para. 7.23 below).

(IV) Ethnic Minorities

- 7.16 The number of South Asians, including the Nepalese, Pakistanis, Indians and Thais, is approaching 60,000 as reported by the 2006 By-census.
- 7.17 The employment difficulties encountered by the ethnic minorities are mainly in communication, cultural differences, lack of vocational skills, and lack of channels in acquiring information. To assist this group to get employed, vocational training offered in English is necessary. The ERB has initiated training courses in

'Domestic Helpers' and 'Security and Property Management' delivered in English in 2007, and explored the employers network for this particular group including introducing the training courses to foreigners and ethnic minority groups residing in Hong Kong who might have needs of employing people with such skills. We had also launched English training courses in "Kitchen Assistants for Indian Cuisine", "Environmental Hygiene and Cleaning Workers", and "Personal Care Workers". We aim to develop other new courses suiting the market needs as well as the aspirations of individuals in the group.

7.18 Besides providing the ethnic minorities with the vocational training, We plan to offer them training on Workplace Cantonese as well in order to increase their chances of getting employed. We shall also develop job search skills training course for this group with the aim of assisting them to understand the local culture and employers' expectations such that they would integrate better into as well as contributing to the society.

(V) The Rehabilitated offenders

- 7.19 The ERB began to offer training and employment assistance to inmates and ex-convicts via the Society of Rehabilitation and Crime Prevention as early as 2004. These full-time placement-tied and part-time training courses include Cleaning, Pest Control, Automobile Repair, Beauty Care, Logistics, Sales and Gardening. There is a 3-month placement follow-up services attached to the placement-tied courses.
- 7.20 According to the data of the Society of Rehabilitation and Crime Prevention, only 40% of the ex-offenders they are serving managed to be employed (full-time or part-time). Almost 90% of this group has only junior secondary or below education, making it even harder for them to get jobs in the knowledge-based economy of Hong Kong. In view of this, the Executive Office plans to work closely with the Correctional Services Department in exploring more appropriate training for this group, and to provide prompt and

comprehensive employment assistance together with the training package via the Society of Rehabilitation and Crime Prevention, including case management, job matching and placement follow-up services. The placement follow-up period will also be extended to six months in the effort of helping these people to rejoin the labour market and to get on with a new life.

(VI) Pilot the "Community Harmony Course"

- 7.21 We shall pilot a new training course at Tin Shui Wai and if the pilot course proves to be effective, shall adopt the model for other districts.
- 7.22 The training courses that we are offering at Tin Shui Wai are mainly for Domestic Helpers, others include Security and Property Management, Healthcare Massage, part-time Computer and English courses, Domestic Helpers' Cookery, etc. There are altogether 4 training bodies providing retraining programmes in the district, with the one located at Shui Bian Wai also taking in quite a number of trainees from Tin Shui Wai. The graduates of the district mainly work as part-time security guards, domestic helpers and hotel room attendants. These jobs are mainly part-time with flexible working hours, reflecting basically the preference or need of these graduates to care for their families.
- 7.23 There is at present the 35-hour 'Job Search Skills' course offered specifically to new arrivals, designed to help trainees to understand the local labour market, ones' career aspirations and oneself, attain job searching skills and knowing ways to get jobs, as well as to build up positive work attitude. We aim to enhance the 'Job Search Skills' in view of the specific need of the new arrivals residing in Tin Shui Wai, in particular, new elements like enhancement of personal values, psychological well being, emotion and stress management, sourcing of community resources, learning local transport networks, learning the equivalence of simplified Chinese in traditional Chinese, appropriate ways to handle family problems, time allocation between family and work commitments, as well as

- concept of neighbourhood support, will be included. The course will be piloted at Tin Shui Wai and will be offered on part-time basis.
- 7.24 In addition, to deal with the problem of lack of confidence and limited world vision of the youths in the community, we also plan to offer a specialized "Community Harmony Course" for the youths. The pilot course will be enriched with elements of personal grooming, communication skills, life and career planning, and field trips and visits to other districts. The course will be delivered on part-time basis.
- 7.25 With the objective of enriching personal qualities, it is suggested to increase training places for part-time generic skills training courses such as English and computer in the district.
- 7.26 New and diversified training courses will be developed together with training bodies to meet the demand of employment markets in the locality. Furthermore, we plan to set up a "one-stop" training cum employment resource centre at Tin Shui Wai subject to availability of suitable premises.

Chapter 8 Management of the Employees Retraining Fund

- 8.1 At the meeting of the Executive Council on 23 October 2007, the Council advised and the Chief Executive ordered that the ERB should be allowed to start to draw down the Employees Retraining Levy collected from employers of foreign domestic helpers to support its operation and services.
- 8.2 Compared to the last 15 years, the service clientele and spectrum of the ERB will expand significantly in future. In order to accomplish the goals and work objectives, the availability of sufficient financial capital is essential. As a public organization, we should adopt the important principle of "Living within Our Means" and to act prudently in financial management. In view of the extensive service spectrum, the Executive Office needs time to implement the expansion progressively, and will devise a 3-year action plan for each of the key work objectives so as to materialize the whole plan in an orderly and effective manner. Concurrently, we are formulating our long term capital management strategy, with the aim to enhance the investment return of the Employees Retraining Fund and to build up a solid financial base for the sustainable development of our services in future.
- 8.3 The ERB aspires to work on the principle that through more effective asset management, the investment return of the Employees Retraining Fund together with the levy collected every year will generate sufficient fund to meet all recurrent expenses of the Board for the provision of training services and programmes and to build up a sufficient reserve for future expansion.
- 8.4 To better reflect our new missions and scope of services, we propose to rename the Employees Retraining Scheme as "Manpower Development Scheme". Semantically, the term "manpower development" denotes "training" as well as "retraining". In essence, we shall operate the "Manpower Development Scheme" in offering vocational training for the unemployed. We shall also provide skill upgrading courses for the employed and launch training on generic skills (including betterment of personal attributes and foundation

skills) to meet the needs of the working population. Progression ladders will be mapped out for fostering development and nurturing of manpower among different trades. Considering the continuous development and improvement of our services, we believe that we shall be able to provide a more comprehensive mechanism for manpower training and development in time. This may also push the development of manpower to a higher level.

Chapter 9 Invitation for Views

- 9.1 The ERB has 15 years of operational experience and its achievements are remarkable. At times of economic difficulties, the ERB had sought to assist the vulnerable groups to resolve employment problems. Now that the Hong Kong economy is recovering and the unemployment rate has shown a downward trend, the ERB should seize the opportunity to review its positioning and strategies. Through the proper use of the levy collected, the ERB should take on a broader mission to further empower the Hong Kong work-force in order to meet the expectations of the society and the public at large.
- 9.2 Our external environment constituting the wave of globalisation, the reality of knowledge-based economy and the opportunities offered by the rapid rise of our nation's economy, lead to the continuous surge of demand for learned professionals with high-level skills. Yet, internally Hong Kong encounters problems of an aging population with over 90% of population growth accounted for mainly by new arrivals with low education level. It is thus clear that there is the imminent need to tackle the "quality" as well as the "quantity" problem of our population.
- 9.3 Hong Kong should affirm its development strategy and positioning in order to draw up an effective human resource policy to meet the manpower demand. This strategic positioning must also leverage on the opportunities availed by the development of the nation. It should also help resolve the problem of labour mismatch arising out of economic restructuring in the longer term, and to improve the employment and income situation for the working poor and those with low skills and little education.
- 9.4 Having regard to the present global and national environments that Hong Kong is facing, training efforts in the 21st century should focus on the apt provision of education and training to the youths and adults. Consideration to the changes and demands of the labour market is necessary and a balance between academic and application skills should be struck. Clear delineation of qualifications and

progression ladders are necessary. Learning model should be flexible and outcome-based. To achieve these objectives, we shall liaise closely with employers such that appropriate and much needed training could be delivered to employees. Participation of employers in course development and their supply of job openings are important. Employers should also encourage and support their employees in upgrading themselves through continuous learning. The concept of life-long learning should be fostered in the community in order to meet the requirement of the knowledge-based economy and challenges arising out of globalisation.

- 9.5 Through provision of appropriate training, we aim to foster a forward looking and proactive attitude in the society and improve the skill level of the local working population, enabling individuals in the local work-force to commit to work, enjoy their work, ever seek improvement, and be multi-skilled. It is the primary objective to elevate the overall quality of the work-force and we are committed to step up training on the betterment of personal attributes and foundation skills. So that individuals would have full grasp of the ability of life-long learning and be abreast with the changing world.
- 9.6 We intend to strengthen our provision of tailor-made courses, in particular to the SMEs and social enterprises. We shall identify the training needs of fast growing industries, and formulate comprehensive and appropriate training plans to help local enterprises to increase their competitiveness. Through pre-employment training, training on skills upgrading, professional certifications and so forth, we aim to build up a more robust workforce with higher quality for Hong Kong.
- 9.7 Our vision is to strengthen the competitiveness of the local working population (and industries) by offering forward-looking training or retraining; to strive to lower structural unemployment by filling the skills gap and rectifying mismatch; to support the development of Hong Kong's Qualifications Framework, and to foster ongoing improvement of the quality of the work-force, so as to secure and sustain employment and facilitate upward mobility of our work-force.

- 9.8 Whether we can implement the various strategic initiatives smoothly hinges on the trust and acceptance of our stakeholders and the citizens of Hong Kong. In the mission of continuously adding value to the local work-force, we bear an important role and responsibility, and have a long way ahead. In order to live up to the expectations of the community and to achieve the highest cost effectiveness, we must execute with prudence and utilize the resources in an appropriate manner.
- 9.9 We earnestly invite yours views on our future directions and working plans. The consultation period will last from 24th January, 2008 to 31st March, 2008. Comments can be sent through e-mail, by post or by fax.

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Fax: 3129 1383 (Please mark "Comments on Consultative

Document")

9.10 This consultative document has been uploaded onto ERB's website at www.erb.org and you are welcome to browse or download the document online. Please enlighten us with your views which will be highly valued and seriously considered.

Should there be any ambiguity between the English and the Chinese versions of the Consultative Document, the Chinese version shall prevail.