

**The Motion on “Comprehensively Upgrading the
Quality of Talents in Hong Kong to Complement the Upgrading
and Transformation of Small and Medium Enterprises”**

Moved by Hon Miriam LAU Kin-yee and as

**Amended by Dr Hon PAN Pey-chyou at the
Meeting of the Legislative Council on 16 July 2010**

Progress Report

Purpose

At the Legislative Council meeting on 16 July 2010, the motion on “Comprehensively upgrading the quality of talents in Hong Kong to complement the upgrading and transformation of small and medium enterprises” and the proposed amendments to it were passed. This report briefs Members on the Government’s progress in implementing the measures concerned.

Nurturing Talents

2. The Government endeavours to nurture suitable talents through various educational and training initiatives, which are conducive to sustainable economic development of Hong Kong as well as development of small and medium enterprises.

Upgrading the Quality of Students

3. To raise the standard of local students, post-secondary institutions and the Vocational Training Council (VTC) will continue to strengthen professional training of students through various initiatives, such as the inclusion of internship into education programmes so that graduates can be better equipped to meet the professional needs of different industries. Furthermore, to broaden the international perspectives of our students, the Government will continue to support student exchange programmes of the University Grants Committee-funded institutions for undergraduates .

Attracting Non-local Students

4. We have introduced a number of measures to attract non-local students to pursue their studies in Hong Kong and stay here to develop their career. From 2008 onwards, we have increased the non-local student quota for post-secondary institutions, established a scholarship endowment fund of \$1 billion and relaxed the employment restrictions imposed on non-local graduates. Moreover, fresh graduates are allowed to stay in Hong Kong for 12 months without any condition. These measures facilitate their stay in Hong Kong after graduation.

5. With a view to enabling more overseas students to understand and seize the educational opportunities available in Hong Kong, we undertook exchanges and visits to countries such as Malaysia, Indonesia, Korea and Japan earlier this year, so that their students might gain a better knowledge of Hong Kong and be attracted to study and develop their career here. The Education Bureau (EDB) will continue to work together with representatives from higher education institutions in organising strategic promotional visits to different places, including India.

International Schools

6. We will provide support for the development of international schools in three major ways, namely enabling in-situ expansion of existing international schools, allocating vacant premises to such schools for expansion purposes, and allocating greenfield sites to such schools for expansion purposes or for the development of new international schools. We anticipate that, with the progressive addition of 5 800 places over the next few years, the overall provision of international school places will increase by around 17%.

Qualifications Framework

7. Regarding the Qualifications Framework (QF), EDB set up the Testing, Inspection and Certification Industry Training Advisory Committee (ITAC) and the Retail ITAC in August and September 2010 respectively, to set out the skills, knowledge and outcome standards required of practitioners in different functional areas of the respective

industries, and provide a basis for course providers to design training courses to meet the needs of the sectors. So far, EDB has established ITACs for 15 industries, covering about 42% of the total labour force. The Government will continue to promote the implementation of QF in order to support the development of vocational education and training.

Manpower Development

8. To maintain the competitiveness of Hong Kong, the Government endeavours to enhance the overall quality of the local workforce, and supports the sustainable development of different economic sectors, including the SMEs. The Government will continue to work together with different stakeholders, including the industry and the academia, to upgrade the employability of the workforce, in particular the low-skilled workers, through enhancing and consolidating training and retraining, continuing education and various employment services. This helps workers adapt to the changing skills requirements arising from economic restructuring.

9. To obtain advice on manpower resource development from the perspective of different sectors, the Government established the Manpower Development Committee (MDC) in 2002. The MDC advises the Government on a wide array of issues ranging from the demand for talents to vocational training, continuing education, the Qualifications Framework (QF), etc.. Members of the MDC include representatives of the industry, academia, training providers as well as Government bureaux and departments. Moreover, in order to enhance the effectiveness of course development and strengthen partnership with various industries, the ERB has set up Industry Consultative Networks (ICNs) since July 2009. The ERB invites practitioners of the industries, including representatives of SMEs, to join the ICNs to provide advice on industry trends, manpower demand of different job categories and posts, employment prospect as well as skills requirements. The ERB has set up 17 ICNs up to now and plans to set up a total of 30 ICNs by end 2011.

10. Furthermore, the Government has started a new round of the Manpower Projection (MP) to assess the future manpower demand and supply at the macro level. The MP findings will include analyses by

economic sectors, including the six industries, occupational groups and educational levels. Relevant bureaux/ departments responsible for the development of the related industries will utilise the MP findings in studying the manpower situation of the industries and implement appropriate measures and training so as to meet the development needs of the industries.

Vocational Training and Retraining Services of the Employees Retraining Board

11. Since 1 December 2007, the eligibility criteria of the “Manpower Development Scheme” (MDS) administered by the ERB have been relaxed to cover young people aged between 15-29 and with education level at sub-degree level or below, in addition to those aged 30 or above and with education level at junior secondary or below who were the original ERB service targets. The courses under the MDS are market-driven and employment-oriented. In 2010-11, the ERB plans to provide 123 000 training places through more than 500 courses covering a total of 27 industries, including courses that meet the needs of SMEs.

12. The “Skills Upgrading Scheme” (SUS), which mainly targets in-service elementary workers, currently covers 26 industries. Since its inception, the SUS has provided more than 260 000 training places for in-service workers which help upgrade their skills. The ERB is taking over the SUS in phases, and plans to provide some 20 000 training places under the Skills Upgrading Scheme Plus in 2010-11.

Training for Youths

13. To help non-engaged youths aged between 15 and 20, the ERB has launched a pilot “Youth Training Programme” (YTP) which will continue to provide around 2 000 training places in 2010-11. YTP seeks to provide trainees with training on vocational and foundation skills and assist them in developing a positive attitude of life and building up confidence. Upon completion of the courses, training bodies would provide trainees with placement support services for six to nine months and assist them to secure employment or refer them for further study.

14. The Vocational Training Council (VTC) administers the “Apprenticeship Scheme” which enables apprentices to receive systematic on-the-job training in various industries. The training offered includes day-to-day practical work and relevant education courses. Currently, the “Apprenticeship Scheme” provides apprentices with choices from amongst around 120 trades including automobile, electrical machinery, construction and jewellery. In addition, the “Modern Apprenticeship” organised by VTC offers another training pathway for apprentices to enter the service industries. In the 2010/11 academic year, VTC will continue to provide about 3 300 training places under its apprenticeship programmes.

Continuing Education Fund

15. Since its establishment in 2002, the operation of the \$5 billion Continuing Education Fund (CEF) has been enhanced. Over 500 000 applications have been approved so far. Hong Kong residents aged between 18 and 65, regardless of their education attainment, employment situation and financial position, can choose to enroll in about 7 000 registered courses offered by around 300 course providers and apply for CEF subsidies. In July 2009, \$1.2 billion was injected into the CEF as a one-off special arrangement during the economic downturn to benefit more people who would like to pursue further education. Since the implementation of the QF in May 2008, courses designed in accordance with the Specifications of Competency Standards developed by various Industry Training Advisory Committees under the QF but falling outside the eight specified domains may also be registered under the CEF upon undergoing an assessment.

“Employment Programme for the Middle-aged”

16. To assist the middle-aged in job seeking, the Labour Department (LD) launched the “Employment Programme for the Middle-aged” to encourage employers to take on unemployed job seekers aged 40 or above and offer them on-the-job training. Employers who engage these job seekers in full-time permanent jobs and provide them with on-the-job training may apply for a training allowance of \$2,000 per employee per month for up to six months. The Programme was launched in May 2003.

As at the end of July 2010, a total of 48 869 placements were secured through the Programme.

“YPTP&YWETS”

17. In September 2009, the Labour Department (LD) enhanced and integrated the “Youth Pre-employment Training Programme” (YPTP) and the “Youth Work Experience and Training Scheme” (YWETS) into a “through-train” programme - “YPTP&YWETS” - to provide seamless and comprehensive youth training and employment support to young school leavers aged between 15 and 24 with educational attainment at sub-degree level or below.

18. The response of young people to the revamped Programme has been favourable. From its commencement on 14 August 2009 to end July 2010, over 16 500 applications had been received for the 2009/10 Programme, which was 18.5% higher than the total figure for the whole 2008/09 Programme. Enrolment for the new programme year commenced on 9 August 2010 and more than 1 400 applications were received as at 20 August 2010.

19. In addition, after approval by the Finance Committee of the Legislative Council in June 2010, liaison and preparatory work for the special programme targeting at young people aged 15 to 24 who need special assistance because of low educational qualifications, emotional/behavioural problems or learning difficulties, have been in full swing. Young people participating in the programme will attend tailor-made pre-employment training offered by YPTP&YWETS beginning late October 2010 and, on completion of training, receive 12 months on-the-job training at non-governmental organisations.

Employment Services and Support

20. The LD will further improve its employment services by launching new initiatives including piloting the loan of vacancy search terminals to non-governmental organisations, starting with those serving remote districts; launching a two-year Pilot Employment Navigator Programme by the end of this year to address the problem of manpower mismatch and to fully utilise labour productivity and encourage employment; and

setting up in early 2011 a pioneer one-stop employment and training centre which seeks to streamline, integrate and enhance the existing employment and training/retraining services of the LD, Social Welfare Department and the ERB.

“Training Leave”

21. The Government has always encouraged enterprises to implement supporting measures such as flexible work arrangements or holidays to facilitate employees in upgrading their skills and knowledge such that they can sustain their vocational competence to meet the challenges posed by economic changes. We understand that many employers have made arrangements for their employees to receive training during working hours in order to enhance the employees’ skills and the company’s competitiveness.

22. Any legislative proposal to alter the existing employment benefits of employees through legislation must be considered in the context of the local socio-economic situation and require the community’s consensus at large, to ensure that a reasonable balance is struck between employees’ interests and employers’ affordability. At present, we have no plan to legislate for training leave.

Support for SMEs

23. As the market and consumers are becoming more demanding for quality products and services, enterprises must actively seek innovation to move up the value chain and enhance its competitiveness. To this end, the Government will continue to provide financial support to SMEs under the Innovation and Technology Fund, the Research and Development Cash Rebate Scheme, the DesignSmart Initiative and the SME Development Fund.

Education Bureau

Labour and Welfare Bureau

Commerce and Economic Development Bureau

March 2011