

**For discussion
on 26 May 2000**

FCR(2000-01)19

ITEM FOR FINANCE COMMITTEE

HEAD 90 - LABOUR DEPARTMENT

Subhead 700 General other non-recurrent

New Item “Youth Pre-employment Training Programme”

HEAD 146 - GOVERNMENT SECRETARIAT : EDUCATION AND MANPOWER BUREAU

Subhead 700 General other non-recurrent

New Item “IT Assistant Course”

New Item “Project Springboard and Web-site on Continuing Education”

Members are invited to approve -

- (a) a new commitment of \$246 million under Head 90 Labour Department for the introduction of an on-the-job training component as part of the Youth Pre-employment Training Programme and to continue with the Programme in 2000 and 2001;
- (b) a new commitment of \$36 million under Head 146 Government Secretariat: Education and Manpower Bureau to provide additional Information Technology training places at the junior assistant level in 2000 and 2001; and
- (c) a new commitment of \$200 million under Head 146 Government Secretariat: Education and Manpower Bureau to support the Project Springboard for three academic years from 2000/01, and the development of a web-site on continuing education.

/PROBLEM

PROBLEM

We need to enhance the employability and competitiveness of our workforce through the provision of vocational training and retraining and continuing education to help them upgrade their knowledge and skills.

PROPOSAL

2. The Secretary for Education and Manpower proposes to create -
 - (a) a new commitment of \$246 million for the Labour Department to introduce an On-the-Job Training (OJT) Scheme as part of the Youth Pre-employment Training (YPT) Programme and to continue with the Programme in 2000 and 2001;
 - (b) a new commitment of \$36 million to provide funds for various training bodies to provide a total of 2 000 focused Information Technology (IT) training places at the junior assistant level in 2000 and 2001; and
 - (c) a new commitment of \$200 million to support the introduction of the Project Springboard for three academic years from 2000/01, and the development of a web-site on continuing education.

JUSTIFICATION

3. The Government is committed to enhancing the employability and competitiveness of our workforce by investing on vocational training and retraining as well as encouraging continuing education. While the economy is recovering and unemployment is falling, the Government will continue to accord top priority to promoting employment and to support measures which aim at enhancing the employability of our workforce.

(i) Youth Pre-employment Training Programme

4. The YPT Programme was launched in September 1999 as a measure to tackle the problem of youth unemployment. It aimed to provide young school leavers aged between 15 and 19 with a wide range of employment-related training, including -

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- (a) leadership, self-discipline and team building training;
- (b) job-search and interpersonal skills training;
- (c) computer application;
- (d) job-specific skills training; and
- (e) workplace attachment of one month's duration with private companies, social welfare agencies or government departments.

Throughout the six months' duration of the Programme, professional guidance and counselling service was rendered to trainees by youth workers from non-government organisations and the Social Welfare Department.

5. The first YPT Programme, successfully concluded on 31 March 2000, was very popular among young school leavers and received encouraging support from various quarters of the community. The Programme has successfully provided training to 10 700 trainees. The average attendance rate of the trainees was 85%. A total of 5 700 trainees participated in workplace attachment training provided by some 470 private companies, government departments, or welfare organisations. As at 15 April 2000, over 3 800 trainees have secured permanent employment.

6. The Labour Department has conducted a comprehensive review to ascertain the satisfaction level of the trainees and all strategic partners, as well as the impact of the Programme on the competitiveness and employability of the trainees. In general, the feedback indicated widespread support from the respondents and confirmed the value of the Programme. Many employers who participated in the Programme observed significant improvements on the part of the trainees during the attachment period. Some 26% of the employers have employed some of the trainees as staff. Major findings of the survey are set out in

Encl. 1 the summary report at Enclosure 1.

7. In view of the positive response and impact on the employability of young people, we propose to continue with and further enhance the YPT Programme, initially for another two years. We expect the next Programme, to be launched in October 2000, to continue to benefit over 10 000 young school leavers. The training capacity will be increased in the light of actual demand.

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8. To further enhance the employment opportunities of the trainees of the YPT Programme, we propose to introduce a new component – OJT Scheme – as a part of the YPT Programme. The Scheme will support a more in-depth on-the-job training of a three-month duration for trainees. During the three-month period, the wage level will be agreed by the employers and the trainees themselves. Employers will be encouraged to continue to employ the trainees upon completion of the training. To motivate employers to participate in the OJT Scheme, the Government will provide the following incentives -

- (a) a training subsidy of \$2,000 per trainee per month, for a maximum period of three months, to employers who have taken up trainees under the OJT Scheme;
- (b) a free training package to company trainers of participating employers. The package comprises a training kit, a half-day train-the-trainers session to be attended on a voluntary basis, and an interactive consultancy service; and
- (c) assistance to employers in developing tailor-made training courses in specific industries or occupations, with a view to assisting industries or occupations which require additional manpower support, in particular the small and medium enterprises, to develop high quality human resources.

We will launch the first OJT Scheme in June 2000 for trainees under the 1999 YPT Programme, particularly those who have completed workplace attachment training but have yet to find permanent employment. The OJT Scheme will also form part of the proposed YPT Programme of 2000 and 2001. We hope to benefit 4 000 YPT trainees annually.

9. Apart from introducing the OJT Scheme, we have taken into account the feedback received and intend to introduce improvements to the YPT Programme as appropriate. For instance, we propose to provide computer courses at a more advanced level and of a longer duration to cater for the more advanced trainees and enhance the effectiveness of the courses.

(ii) IT Assistant Course

10. From our contacts with the IT industry, we have received feedback that there is a great demand for trained manpower by companies in the IT as well as other sectors, particularly those at the junior assistant level to perform basic IT and e-commerce related tasks. With the increasing popularity of electronic commerce,

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both IT and non-IT companies need to hire junior IT assistants to perform such tasks as maintenance and updating of web sites, processing of trade documents in electronic format and office database application, etc. We believe that these jobs could be taken up by young school leavers and the unemployed, after suitable training and retraining.

11. Against this background, the Education and Manpower Bureau has set up a working group to design a tailor-made training programme that would meet the needs of the IT industry at the junior assistant level. Its membership is drawn from the IT industry and training providers. With active input from members, the working group has drawn up a focused training programme which places emphasis on practical knowledge and training to equip trainees with the necessary skills to take up jobs available in the market. A pilot course was launched in February 2000.

12. The pilot course is run jointly by the Vocation Training Council (VTC) and the Employees Retraining Board (ERB). It comprises ten modules and lasts for ten weeks. The modules cover basic IT skills, office software and database applications, Windows NT, basic and intermediate web authoring, introduction to e-commerce, media production for business, web internet support, IT for business and soft skills and job searching. The pilot course has received enthusiastic response from job seekers. Over 3 200 applications were received for the 170 available places. In view of the keen response, we have redeployed resources to increase the training capacity of the pilot course from 170 to 300 places. A total of 60 trainees have graduated from the first three classes of the pilot course on 4 May 2000, and the remaining ten classes will be completed between May and July 2000. VTC and ERB have so far identified some 220 job vacancies for graduates and will assist them with job placements. As at 16 May 2000, 16 of the 60 graduates have accepted job offers.

13. In view of the success of the pilot course, we now propose to formalise it and further increase the training capacity to 1 000 each year in the coming two years to meet the needs of job seekers and the industry. The working group is reviewing the curriculum and teaching arrangements of the pilot course in the light of the experience in course delivery, feedback from trainees and their employers, and the placement results. Given its close involvement in the course design and actual delivery of the pilot course, the VTC will serve as the project manager for the additional training places and will be responsible for co-ordinating the curriculum review, development of teaching materials and quality assurance. To benefit more people, we are actively exploring the possibility of delivering the course through the Internet. Where possible, training providers from the private

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sector will be involved in the development of web-based teaching materials and actual delivery of selected modules. We will closely monitor progress of the proposed courses and consider further increasing the number of training places in the light of market demand.

(iii) Project Springboard

14. It has been the Government's objective to promote life-long learning to upgrade our human resources and enhance the competitiveness of Hong Kong in an increasingly knowledge-based society. To this end, we propose to launch the "Project Springboard", under which a new bridging programme will be offered in October 2000 to provide an alternative route and expand the continuing education opportunities for secondary school leavers and adult learners.

15. The bridging programme will be organised by the Federation for Continuing Education in Tertiary Institutions (FCE). FCE members include seven University Grants Committee-funded institutions, the Open University of Hong Kong, Caritas Adult and Higher Education Service and the VTC. The programme is a skill-based programme, with emphasis on biliteracy, trilingualism, information technology application and certain practical subjects. There will be six core modules including Chinese, English, Putonghua, Computer Studies, Quantitative Skills and Communication Skills. In addition, some electives such as Information Technology Networking Support will be offered.

16. About 5 500 places will be available in the first year for day and evening courses. The number of places can be adjusted in subsequent years in the light of demand. The tuition fee will be about \$2,500 to \$3,000 per module. Students normally take at least ten modules to complete the programme. Full-time students can complete the programme in one year. Upon graduation, students may pursue continuing education at the certificate or diploma level in the same institution or other institutions of the FCE. The Government is also considering recognising the qualification of this programme as equivalent to satisfactory completion of Secondary 5 level for the purpose of recruitment for certain posts in the Civil Service.

17. To help kick-start the programme as soon as possible, we have provided a grant of \$5 million to the FCE to assist it in initial curriculum development, evaluation and research. The programme itself will be run on a self-financing basis. Eligible students may apply for financial assistance under the Non-means-tested Loan Scheme to pay for the tuition fee. To encourage more

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people to pursue this course, we propose to provide the following additional support initially for the three academic years from 2000/01 -

- (a) reimburse students who have satisfactorily completed each module at 30% of the tuition fees that they have paid for that module; and
- (b) fund initiatives to provide student support (e.g. orientation camp, counselling services, etc.) as well as develop web-based modules and self-learning packages to facilitate more flexible learning.

18. As regards paragraph 17(a) above, we will administer the reimbursement scheme based on documentary proof by FCE's member institutions that the students have satisfactorily completed the modules.

19. As regards paragraph 17(b) above, we are considering innovative measures to promote all-round development of the students through activities outside the classrooms. Examples include orientation and training camps, sports and cultural events and counselling support. We will invite proposals from FCE members and other organisations with the relevant expertise. Funding support will be given on a case-by-case basis. In addition, funds will be used for the promotion and publicity of the Project Springboard.

20. The FCE has set up a Programme Management Committee and engaged a dedicated project team for course development, evaluation and research. Course development is underway. We have also invited the participation of agencies such as the Hong Kong Council for Academic Accreditation to ensure that appropriate quality assurance mechanism is in place. We plan to mount publicity programmes on the Project between June and October 2000. People aspiring to pursue the programme can register their interest during the period. Formal admission will start in August and the course will commence in October 2000.

(iv) Web-site on Continuing Education

21. To provide a convenient channel for people who aspire to pursue further education and to promote continuing education, we are now collecting the latest information on continuing education courses provided by various organisations in Hong Kong, and will set up a web-site on continuing education for access by the public by July 2000.

22. The web-site will cover a wide variety of continuing education courses, including academic, professional, vocational and personal development courses pitched at different levels. Relevant information including organising bodies, place of submitting application, ways for seeking further information and making enquiries, commencement dates, course titles and nature, fees, as well as admission requirements will be available. It will be linked to the major educational and training institutions, providing a focal point or one-stop shop for continuing education information.

Duration of these initiatives

23. We are introducing these initiatives as time-limited projects because we need to be flexible and responsive to market demands. Before the completion of each of these initiatives, we will carry out a review in the light of demand and experience and the overall economic and employment situation to see whether there is a need to continue with these measures in their original or modified forms.

FINANCIAL IMPLICATIONS

Non-recurrent cost

24. The proposals will require additional non-recurrent expenditure totalling \$482 million, as follows -

	2000-01 \$ million	2001-02 \$ million	2002-03 \$ million	2003-04 \$ million	2004-05 \$ million	Total \$ million
(a) YPT Programme	109	109	28	-	-	246
(b) IT Assistant Course	20	16	-	-	-	36
(c) Project Springboard and development of web-site	25	53	69	44	9	200
Total	154	178	97	44	9	482

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25. As regards paragraph 24(a), the expenditure is for the provision of modular training and counselling for trainees, payment of the allowance for trainees during workplace attachment and the training subsidy for employers offering on-the-job training. It also covers publicity and administrative expenses, as well as development of training packages and pre-OJT training courses. A detailed cost breakdown is at Enclosure 2.

Encl. 2

26. As regards paragraph 24(b), the expenditure is for the provision of a total of 2 000 IT training places in the coming two years. It covers the cost of course review and refinement, procurement of multimedia software and other additional software licences, development of web-based training materials, recruitment of staff, enrolment of trainees, and running of both classroom-based and web-based training. A detailed cost breakdown is at Enclosure 3.

Encl. 3

27. As regards paragraph 24(c), the expenditure is for the reimbursement of tuition fees to students at 30% of the fees paid, provision of student support, promotion and development of web-based modules and self-learning packages. It also covers the setting up cost of the web-site on continuing education. A detailed cost breakdown is at Enclosure 4.

Encl. 4

Recurrent cost

28. The web-site on continuing education will incur additional recurrent expenditure of \$300,000 in a full year for basic maintenance, updating and other improvement. There are no recurrent financial implications for the other initiatives proposed.

29. We are seeking Members' approval for the various projects in the form of capital commitments for reasons explained in paragraph 23 above. A total recurrent expenditure of \$300 million has been allocated for a package of employment-related initiatives, including the proposals in this submission and an additional 1 500 training places in the VTC for secondary 3 and secondary 5 school leavers. Hence, sufficient funding is available for implementing these measures on an ongoing basis, if needed.

BACKGROUND INFORMATION

30. In his 2000 Budget, the Financial Secretary has earmarked \$300 million of recurrent expenditure for implementing a package of training, retraining and employment-related initiatives. The new measures are -

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- (a) to continue and enhance the YPT Programme for over 10 000 secondary school leavers aged 15 to 19 each year, including an additional on-the-job training programme;
- (b) to expand the programme for training junior information technology technicians, providing a total of 1 000 places each year;
- (c) to support the introduction of bridging programmes by the FCE to provide expanded continuing education opportunities for secondary school leavers and to support these students financially in pursuing their studies;
- (d) to provide an additional 1 500 training places in the VTC for secondary 3 and secondary 5 school leavers; and
- (e) to widen the scope of the Non-means-tested Loan Scheme to benefit more people pursuing continuing education.

Proposals (a), (b) and (c) above are the subject of this submission. We will seek Members' approval for implementing the proposals relating to the VTC and the Non-means-tested Loan Scheme separately in due course.

31. We briefed the Legislative Council Education Panel and Manpower Panel on 20 March and 30 March 2000 respectively on the above measures to promote employment and continuing education. Members generally welcomed the proposals.

Education and Manpower Bureau
May 2000

**Executive Summary of the Report of the Comprehensive Review
of the Youth Pre-employment Training Programme**

The Youth Pre-employment Training Programme was launched in September 1999 to tackle the problem of youth unemployment. It aimed to provide young school leavers aged 15 to 19 with a wide range of employment-related training and workplace attachment opportunities with a view to improving their employability and competitiveness. The Programme was concluded on 31 March 2000 and a comprehensive review has been undertaken to ascertain the satisfaction level of all the trainees and various strategic partners, and the overall effectiveness of the Programme in meeting its objectives. The review takes into account operational statistics and feedback from all interested parties.

2. The output of the Programme is summarized as follows:
 - (a) 10 707 trainees had attended one or more modular training courses;
 - (b) the Programme offered a total of 22 132 training places in 951 training classes. The average utilization rate of the training capacity was 80%. The average attendance rate of trainees was 85%;
 - (c) 8 962 workplace attachment vacancies were secured. A total of 5 752 trainees subsequently undertook workplace attachment training in the private, public, and social services sectors;
 - (d) the total capacity for guidance and counselling service rendered by youth workers was 9 049. Altogether 9 016 trainees benefited from the service eventually; and
 - (e) it was known that 3 833 trainees under the Programme have secured permanent employment as at 15 April 2000.

3. A questionnaire survey was conducted to collect opinions and feedback from all trainees and strategic partners. Its main findings are as follows:

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- (a) The Programme has received widespread support from the respondents. All the training bodies and organizations rendering guidance and counselling service, and the majority of the trainees (97%) and host organizations (98%) consider it worthwhile to launch the Programme.
- (b) The trainees are highly satisfied with modular training. They find the courses useful and relevant to their needs. The trainers are well prepared and the course contents are fully covered. There is also a consensus among the training bodies on the usefulness of modular training in improving the employability of the trainees.
- (c) The trainees are satisfied with the overall effectiveness of workplace attachment training. They agree that workplace attachment helps them develop positive work attitude, understand the world of work, enhance interpersonal skills, and gain real working experience.
- (d) Most of the host organizations (80%) are satisfied with the performance of the attachment trainees. They are particularly impressed by trainees' appearance, work attitude, willingness to learn, punctuality, and acceptance of responsibility.
- (e) The trainees are satisfied with the effectiveness of the guidance and counselling service in meeting its objectives. The organizations rendering such service also agree on the usefulness of the service in enhancing the self-awareness of the trainees and helping them better understand their career orientation.
- (f) The trainees and training bodies alike suggest that modular training on job-search and interpersonal skills and guidance and counselling service should be delivered by the same organizations for the sake of efficiency and synergy.

4. There will be major revisions in the service delivery system of the Programme in the light of findings of the comprehensive review. The main adjustments are as follows:

- (a) the role of non-government organizations will be substantially strengthened with a view to providing more customized service to the trainees;

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- (b) guidance and counselling service will be integrated with job-search and interpersonal skills training and delivered by the same organizations. This new packaged training will be mandatory for all trainees;
- (c) all trainees will be provided with training plans and training log-books. The progress of training will be reviewed from time to time with the organizations providing the new packaged training;
- (d) the overall training capacity will be increased and young people recruited by training bodies and non-government organizations will be allowed to fill un-utilized training vacancies;
- (e) the parents of trainees will be more actively involved throughout the Programme in order to drive home the importance of life-long learning, personal development, and family support of the Programme; and
- (f) there will be more variety of training courses on computer application and on job-specific skills to suit the different interest and needs of the trainees.

**Estimated Expenditure on the
Youth Pre-employment Training Programme**

	2000-01 \$ million	2001-02 \$ million	2002-03 \$ million	Total \$ million
(a) Provision of modular training and counselling	61.0	61.0	-	122.0
(b) Allowance for trainees during workplace attachment training	12.0	12.0	-	24.0
(c) Training subsidy for employers offering on-the-job training	24.0	24.0	24.0	72.0
(d) Development of training packages and pre-OJT training courses	2.3	2.3	2.3	6.9
(e) Publicity, administrative and miscellaneous expenses	9.7	9.7	1.7	21.1
Total	109.0	109.0	28.0	246.0

Note:

We have adopted the following assumptions for the purpose of calculation -

1. 34 000 training places and counselling service for 12 000 trainees per year.
2. An allowance of \$1,000 per month per trainee during workplace attachment training for 12 000 trainees per year.
3. A training subsidy of \$2,000 per trainee per month for employers, up to a maximum of three months, for 4 000 trainees per year.

Enclosure 3 to FCR(2000-01)19

Estimated Expenditure on Information Technology Assistant Training

	2000-01 \$ million	2001-02 \$ million	Total \$ million
(a) Course content design and development	0.4	0.3	0.7
(b) Multimedia software and other additional software licences, hardware	3.4	1.3	4.7
(c) Development of web-based teaching materials	3.0	1.0	4.0
(d) Recruitment of staff and enrolment of trainees	2.0	2.0	4.0
(e) Cost of running classroom classes	7.9	5.9	13.8
(f) Cost of running web-based classes	3.3	5.5	8.8
Total	20.0	16.0	36.0

Note:

We have adopted the following assumptions for the purpose of calculation -

1. The projected number of trainees is 1 000 each year.
2. The cost of multimedia software and other additional software licences, hardware includes the cost of (i) 208 licences of ADOBE Photoshop, FLASH, Windows NT Server, Server 2000 and WinPGP; (ii) 70 client PCs; (iii) seven servers; (iv) contingency for additional hardware and software licences.
3. 60% of trainees will attend classroom classes while the remaining 40% will attend web-based classes.

Enclosure 4 to FCR(2000-01)19

**Estimated Expenditure in Support of the Project Springboard
and for Setting Up a Web-site on Continuing Education**

	2000-01	2001-02	2002-03	2003-04	2004-05	Total
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
(a) Reimbursement of tuition fees	18.0	46.5	62.6	44.0	9.0	180.1
(b) Support (publicity, student support, self-learning packages/online programmes)	6.6	6.5	6.4	-	-	19.5
(c) Web-site on continuing education	0.4	-	-	-	-	0.4
Total	25.0	53.0	69.0	44.0	9.0	200.0

Note:

We have adopted the following assumptions for the purpose of calculation -

1. The projected number of students is 5 500, comprising 2 500 full-time and 3 000 part-time students.
2. All students (including part-time students) will take the full programme. Full-time students will take one year to complete whereas part-time students will take two years.
3. The tuition fee will be \$30,000 whereas actual fees will range from \$25,000 to \$30,000. The amount of reimbursement will be 30% of the tuition fee level, that is, \$9,000 for full-time and \$4,500 for part-time student per academic year.
4. There will be two semesters in an academic year (October to June in the following year). Reimbursement will be made in March and August in the following year.
5. The projected student number will increase by 20% a year because of increase in institutions' capacity and students' demand.