

NOTE FOR FINANCE COMMITTEE

Funding for Training Programmes

PURPOSE

In the course of discussing a new item “SME Training, Export Marketing and Development Funds” vide FCR(2003-04)28 at the Finance Committee meeting on 20 June 2003, Members requested the Administration to provide details on the total commitments approved for various training funds such as SME Training Fund, and the commitments for other training-related measures to alleviate the impact of Severe Acute Respiratory Syndrome (SARS). This note informs Members of the funding provided by the Administration in recent years to run or subsidise training programmes.

ENHANCED TRAINING ASSOCIATED WITH SARS

2. The Finance Committee approved on 16 May 2003 and 4 July 2003 (vide FCR(2003-04)10 and FCR(2003-04)35) packages of measures to provide training places and employment opportunities to alleviate the impact of SARS on unemployment. The packages contain a number of measures focusing on training or carrying a training element, as follows –

<i>Project</i>	<i>Approved on</i>	<i>Commitment (\$ million)</i>
• Skills Enhancement Project	16 May 2003 & 4 July 2003	210.0
• Tourism Development Assistant Training Project	4 July 2003	98.0
• Community Building Project and Positive Life Project	4 July 2003	45.0
• Leisure, Cultural, Sports and Arts Training Project and Leisure and Cultural Guide Project	4 July 2003	38.5

<i>Project</i>	<i>Approved on</i>	<i>Commitment (\$ million)</i>
Promoting Natural Environment Project	4 July 2003	16.7
• Community Care Project	4 July 2003	60.0
Total :		468.2

3. The Finance Committee also approved on 27 June 2003 (vide FCR(2003-04)16) the creation of a commitment of \$200 million for a grant to the Hospital Authority (HA) to set up a Training and Welfare Fund for the HA. Of this amount, \$130 million is provided for the setting up of a training fund to enhance the expertise of health care staff in infectious disease control.

FUNDING FOR OTHER TRAINING PROGRAMMES

4. Individual bureaux have launched a number of programmes carrying a training element over the years. A list of funding for ongoing programmes approved in past few years is at the Enclosure.

Encl.

5. Apart from the list of programmes at the Enclosure, the Administration has been providing recurrent funding to the Vocational Training Council (VTC) and Employees Retraining Board (ERB) to run comprehensive programmes of vocational training and retraining courses respectively. For 2003-04, the recurrent provisions to VTC and ERB for them to pursue these programmes are \$532 million (apart from \$1.4 billion for VTC to provide vocational education) and \$378 million respectively.

6. This note does not cover training projects supported by funds, e.g. Quality Education Fund and Language Fund, outside the General Revenue Account.

Other ongoing training programmes

	Schemes	Duration	Target	No. of places	Funding (\$ million)		Training provided/subsidised
					Recurrent	Non-recurrent	
Economic Development and Labour Bureau							
1.	Youth Pre-employment Training Programme ¹ [FCR(2000-01)19 & FCR(2003-04)35]	From September 1999	Young school leavers aged between 15 and 19	12 000 per year	95.5	45.0 (for an additional 6 000 places for 2003-04 Programme)	Employment-related training for six months (including one-month workplace attachment)
2.	Youth Work Experience and Training Scheme [FCR(2002-03)7]	Two years starting from July 2002	Young people between 15 and 24	10 000		400.0	On-the-job training for participants for a period of 6 months to one year
3.	Re-employment Training Programme for the Middle-aged [FCR(2003-04)3]	Two years starting from April/May 2003	Persons aged 40 or above who have been unemployed for 3 months or more	12 000		60.0	On-the-job training for participants for a period of three months
4.	Graduate Employment Training Scheme [FCR(2003-04)9]	2003-04	Hong Kong residents holding bachelor degrees awarded in 2003-04	2 000		26.0	On-the-job training for a period of up to 6 months
5.	Tourism Orientation Programme	2002-03 & 2003-04	Tourism-related graduates and those interested in pursuing a career in the tourism industry	400 (200 each year)		40.0	On-the-job training in different sectors of tourism industry.

¹ The Youth Pre-employment Training Programme of 2000 and 2001 was funded by a commitment of \$246 million.

	Schemes	Duration	Target	No. of places	Funding (\$ million)		Training provided/subsidised
					Recurrent	Non-recurrent	
Education and Manpower Bureau							
6.	Skills Upgrading Scheme [FCR(2001-02)6]	From 2001	Workers with low education level	Projected to reach 117 000 by end 2003		400.0	Industry-related focused skills training programmes for in-service workers
7.	IT Assistant Course [FCR(2000-01)19 & FCR(2002-03)8]	Five years from 2000-01 to 2004-05	Young school leavers and unemployed persons	5 000		90.0	Tailor-made training to meet the needs of IT industry at junior assistant level.
8.	Project Yi Jin [FCR(2000-01)19] & FCR(2003-04)4]	Five years from 2000/01 to 2004/05	Secondary school leavers and adult learners	17,900		200.0	Skill-based bridging programmes to provide an alternative route and to expand the continuing education opportunities
9.	Continuing Education Fund [FCR(2002-03)6]	From 2002	Hong Kong residents without a university degree, aged 18 or above at the time of application and 60 or below at the time of claiming reimbursement	500 000		5,000.0	Training which would be conducive to the economic development of Hong Kong.

	Schemes	Duration	Target	No. of places	Funding (\$ million)		Training provided/subsidised
					Recurrent	Non-recurrent	
Health, Welfare and Food Bureau							
10.	Special job attachment programme for CSSA recipients [FCR(2000-01)32]	From 2000-01	Single-parent and unemployed CSSA recipients	800 to 1 000 per year		43.3 ²	Training and job attachment opportunities provided by NGOs.
11.	Intensive Employment Assistance Fund for CSSA recipients [FCR(2000-01)32]	From 2000-01	Single parent or unemployed CSSA recipients who have left the job market for a longer period	7 200 per year		43.0	Employment assistance and retraining services provided by NGOs.
12.	On-the-job training programme for people with disabilities [FCR(2001-02)16]	Three years starting from 2001-02	People with disabilities	No less than 360 per year		22.5	Training and job attachment opportunities provided by NGOs or private companies.
Commerce, Industry and Technology Bureau							
13.	SME Training Fund [FCR(2001-02)38, FCR(2002-03)53 & FCR(2003-04)28]	Starting from 2001-02	SME employers and employees	Subject to availability of funds on a first-come-first served basis		400 ³	Training courses directly relevant to SMEs' businesses, and are provided by professional training organisations or commissioned by SMEs to suit their particular needs

² This is the total amount of additional resources for Social Welfare Department to run the programme up to 2002-03. The Department has extended the programme to December 2003 through internal redeployment of resources.

³ This was the commitment originally approved on 9.11.2001 vide FCR(2001-02)38. Subsequently, FC approved on 20.6.2003 the merging of this fund with the SME Export Marketing Fund and SME Development Fund with a combined commitment of \$900 million. There is no commitment ceiling for SME Training Fund, subject to the total expenditure of the three funding schemes not exceeding \$900 million.