

立法會
Legislative Council

LC Paper No. CB(2)1126/19-20

Ref : CB2/SS/1/19

Paper for the House Committee

**Report of Subcommittee on Employees Retraining Ordinance
(Amendment of Schedule 4) Notice 2020**

Purpose

This paper reports on the deliberations of the Subcommittee on Employees Retraining Ordinance (Amendment of Schedule 4) Notice 2020 ("the Subcommittee").

Background

2. The Employees Retraining Board ("ERB") is a statutory body established in 1992 under the Employees Retraining Ordinance (Cap. 423) ("the Ordinance"). It is responsible for co-ordinating, funding and monitoring training courses and services for the purpose of helping local employees to meet the changing needs of the employment market. Under sections 20, 21 and 22 of the Ordinance, an eligible trainee may apply to ERB for payment of a retraining allowance in respect of his attendance or intended attendance at a retraining course or supplementary retraining programme provided or conducted by a training body or training provider under the Ordinance for the purpose of training or retraining trainees to acquire new or enhanced vocational skills or to facilitate their employment. The maximum amount of retraining allowance payable monthly in respect of an eligible trainee attending specific retraining courses, as specified in Schedule 4 to the Ordinance, is \$4,000.¹

3. In October 2019, ERB was entrusted by the Government to launch the one-off Love Upgrading Special Scheme ("Special Scheme") to assist those employees affected by the recent economic downturn to upgrade their skills for self-enhancement, with a view to rejoining the employment market as soon as possible. The Special Scheme provides free training which lasts for two to three months, covering vocational skills, innovation and technology and generic

¹ Before the commencement of the Notice, trainees who have completed retraining courses with duration of seven days or more and attained an attendance rate of at least 80% are eligible for a monthly retraining allowance of up to \$4,000 per trainee.

skills. A special allowance would be provided to trainees during the training period. The maximum amount of special allowance received by an eligible trainee under the Special Scheme has been \$4,000 per month.

4. As part of the fourth package of measures to support enterprises and employment announced by the Financial Secretary ("FS") in December 2019, ERB would, among others, increase the maximum amount of monthly retraining allowance from \$4,000 to \$5,800 for all eligible ERB's retraining courses, including those under the Special Scheme, through legislative amendment.

The Employees Retraining Ordinance (Amendment of Schedule 4) Notice 2020

5. On 27 March 2020, the Administration published in the Gazette the Employees Retraining Ordinance (Amendment of Schedule 4) Notice 2020 ("the Notice"). The Notice amends Schedule 4 to the Ordinance to increase the maximum amount of retraining allowance payable monthly in respect of a trainee attending specific retraining courses of ERB from \$4,000 to \$5,800. According to the Administration, the proposed increase is applicable to the special allowance payable to eligible trainees enrolled in the Special Scheme. The Notice was tabled in the Legislative Council at its meeting of 22 April 2020. The Notice comes into operation on 25 May 2020.

The Subcommittee

6. The House Committee agreed on 8 May 2020 that a subcommittee should be formed to study the Notice. The membership list of the Subcommittee is in **Appendix I**. Under the chairmanship of Hon LUK Chung-hung, the Subcommittee has held two meetings. A list of the organizations which have provided written views to the Subcommittee is in **Appendix II**.

7. The scrutiny period of the Notice has been extended from 20 May 2020 to the Council meeting of 10 June 2020 by a resolution passed at the Council meeting of 20 May 2020.

Deliberations of the Subcommittee

Maximum amount of the special allowance under the Special Scheme

8. While welcoming an increase in the maximum amount of special allowance under the Special Scheme from \$4,000 to \$5,800 per month, members have expressed grave concern that the amount of special allowance is

still far from adequate for the trainees to meet the expenses of basic livelihood. In face of the rapid downturn in business activities due to the Coronavirus disease 2019 ("COVID-19") infections, many employees are recently unemployed, being required to take no pay leave or under-employed. The special allowance is de facto an unemployment subsidy or living subsidy for employees attending courses under the Special Scheme. In the light of this, there is an imminent need to review the cap on the amount of special allowance. Most members take the view that the maximum amount of the special allowance should be further increased to \$9,000 per month per trainee, i.e. on par with the maximum wage subsidy per month per employee to an employer under the newly launched Employment Support Scheme under the second round of the Anti-epidemic Fund to support enterprises and employment. There is a suggestion that the Administration should consider topping up the amount to \$9,000 through the Anti-epidemic Fund.

9. The Administration has advised that the Special Scheme seeks to provide comprehensive training to those recently unemployed, being required to take no pay leave or under-employed to upgrade their skills for self-enhancement. The retraining allowance is not a living subsidy for employees, but aims to provide additional incentive for employees to undergo retraining by helping the trainees meet the expenses on travelling and meals arising from attending the ERB courses. The maximum amount of the special allowance per month under the Special Scheme aligns with that stipulated in the Ordinance. The current maximum amount of the retraining allowance specified in Schedule 4 of the Ordinance was last adjusted in July 1995. Taking into account the cumulative inflation in the past two decades, ERB has resolved that the maximum amount of retraining allowance should be increased from \$4,000 to \$5,800 by 45%. Trainees who attend ERB courses commencing from 25 May 2020 onwards would be eligible for the new maximum amount of monthly retraining allowance. Correspondingly, the special allowance would be increased from \$153.8 per day and \$76.9 per session (half-day) to \$223.0 and \$111.5 respectively following the increase in the maximum amount of monthly retraining allowance.

Scope and duration of courses

10. Members have expressed concern that a trainee has to attend ERB courses for 26 days in a month in order to receive the monthly maximum amount of retraining allowance. Members have called on ERB to offer courses with longer training period and revise the computation for the daily allowance under the Special Scheme on the basis of, say, 20 days or 22 days, instead of 26 days, in a month. The Administration has advised that ERB courses under the Special Scheme are offered free of charge and will be conducted in full-time or part-time (half-day or evening) mode, and that each eligible trainee may enroll up to four training courses. As each trainee has currently enrolled in less than

two courses on average, it is believed that if they enroll in more courses, trainees would be able to receive more special allowance. Furthermore, ERB is planning to provide courses with longer training period so as to expand the choices of courses to meet the needs of employees, especially the young people. As regards the computation for the daily allowance under the Special Scheme, members are advised that ERB has taken into account various factors, including the number of days of training attended by a trainee.

11. Members have also expressed concern that in view of the latest situation of COVID-19 infections, ERB courses have been temporarily suspended from late January 2020. As such, eligible trainees have received no retraining allowance due to the suspension. To enable trainees to attend ERB courses in the meantime, members have called on ERB to introduce online training courses under the Special Scheme. Members are advised that ERB has been making online learning arrangement for selected courses starting from 6 April 2020 to support trainees in resuming training during the epidemic. Instructors deliver training on the theoretical modules of the courses and trainees can attend classes at home using their computers or mobile devices. The modules on skill practices would be conducted when the face to face training mode resumes by phases since early May.

12. Some members have enquired whether there are any dedicated courses under the Special Scheme for those employees who are engaged in specific trades and industries that are hard hit by the economic downturn and are required to take no pay leave or under-employed. The Administration has advised that as announced by FS in December 2019 under the fourth package of measures to support enterprises and employment, ERB would enhance and extend the Special Scheme. Apart from increasing the maximum amount of monthly allowance per trainee, ERB would expand the choices of trades and courses as well as offer more training places based on demand. For the second tranche of the Special Scheme to be launched in July 2020, ERB would, among others, liaise with employers in specific trades and industries or their trade associations to enhance the content, including organising enterprise-based training courses that meet their specific needs and requirements.

Review timetable

13. Members have expressed concern that the current maximum amount of retraining allowance payable monthly in respect of an eligible trainee attending specific retraining courses of ERB has not been reviewed for more than 20 years. They have enquired about the Administration's plan for conducting the next review of the retraining allowance. Members are advised that ERB would examine the amount of the daily retraining allowance for different course categories under the new maximum amount of retraining allowance, having due regard to the original objective and intended purpose of providing retraining

allowance as well as the financial impacts in its Three-year Strategic Plan. ERB would closely monitor the implementation of the new maximum amount of retraining allowance and make timely recommendations on enhancing and extending the Special Scheme.

Recommendation

14. The Subcommittee raises no objection to the Notice and will not propose any amendment to the subsidiary legislation.

Advice Sought

15. Members are invited to note the deliberations of the Subcommittee.

Council Business Division 2
Legislative Council Secretariat
3 June 2020

**Subcommittee on Employees Retraining Ordinance
(Amendment of Schedule 4) Notice 2020**

Membership list

Chairman Hon LUK Chung-hung, JP

Members Hon Abraham SHEK Lai-him, GBS, JP
Hon YIU Si-wing, BBS
Hon POON Siu-ping, BBS, MH
Hon SHIU Ka-fai, JP
Hon Vincent CHENG Wing-shun, MH, JP

(Total : 6 members)

Clerk Miss Betty MA

Legal adviser Miss Rachel DAI

**Subcommittee on Employees Retraining Ordinance
(Amendment of Schedule 4) Notice 2020**

List of organizations which have provided written views to the Subcommittee

1. Liberal Party
2. The Federation of Hong Kong & Kowloon Labour Unions
3. The Hong Kong Federation of Trade Unions