

# 立法會

## *Legislative Council*

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

#### **Background brief prepared by the Legislative Council Secretariat**

#### **Purpose**

This paper provides background information and summarizes the discussions by the Panel on Manpower ("the Panel") on the "Love Upgrading Special Scheme" ("the Special Scheme") and the Administration's proposal to increase the maximum amount of training allowance provided under the Special Scheme.

#### **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. In October 2019, ERB was entrusted by the Government to launch the one-off 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 of 23 trades, innovation and technology and generic skills. A training allowance would be provided to trainees during the training period. The maximum amount of training allowance received by an eligible trainee under the Special Scheme is \$4,000 per month.

3. 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<sup>1</sup> to \$5,800. The proposed increase is applicable to the training allowance payable to eligible trainees enrolled in the Special Scheme. The Notice was tabled in the Legislative Council ("LegCo") at its meeting of 22 April 2020. The Notice will come into operation on 25 May 2020.

## **Deliberations of the Panel**

4. At its meetings on 8 November and 17 December 2019, the Panel was briefed on the Administration's initiatives for supporting employment, including the implementation of the Special Scheme and the proposal to increase the maximum amount of monthly allowance under the Special Scheme. The deliberations and concerns of members are summarized in the following paragraphs.

5. Concerns were raised over the scope and duration of training courses as well as number of training places under the Special Scheme. Some members considered that the maximum amount of monthly allowance of \$4,000 for each eligible trainee was relatively low for these trainees to meet the expenses of basic livelihood. Some members also expressed concern that the maximum amount of retraining allowance payable monthly in respect of an eligible trainee attending specific retraining courses of ERB had not been reviewed for more than twenty years.

6. According to the Administration, the Special Scheme provided comprehensive training to those recently unemployed, being required to take no pay leave or under-employed to upgrade their skills and pursue self-enhancement. There was no restriction on the trade or education attainment of trainees. The initial plan was to launch the Special Scheme for a period of six months, subject to extension if necessary. Trainees should attend the courses by end June 2020. It was planned that 10 000 affected employees could take part in the Special Scheme. Trainees enrolling in full-time or part-time courses under the Special Scheme were eligible for receiving training allowance. On the amount of the training allowance under the Special Scheme, the Administration advised that as the maximum amount per month aligned with that stipulated in the Ordinance, it would need time to undergo the necessary legislative amendment procedures to adjust the maximum amount of training allowance. According to past experience, the disbursement of allowance could normally be completed within around one and a half months.

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<sup>1</sup> At present, 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. According to the Administration, this ceiling is also applicable to the training allowance payable to eligible trainees enrolled in the Special Scheme.

7. At its meeting on 8 November 2019, the Panel passed a motion urging the Administration to, among others, expand the scope of the Special Scheme by increasing the number of beneficiaries in a flexible manner, increasing the maximum amount of training allowance, as well as streamlining the application procedures and administrative procedures for disbursement of allowance.

8. Members subsequently noted that the Financial Secretary announced in December 2019 the fourth package of measures to support enterprises and employment which included, among others, the enhancement of the Special Scheme. Members were advised at the Panel meeting on 17 December 2019 that in view of the positive response to the Special Scheme, ERB would enhance and extend the Special Scheme, including to consider increasing the maximum amount of monthly allowance per trainee from \$4,000 to \$5,800 through legislative amendment; expanding the choices of trades and courses, in particular the provision of part-time arrangement for the vocational skills courses; and offering more training places based on demand. According to the Administration, the financial implication of increasing the maximum amount of monthly retraining allowance would be met by the Government's injection of \$2.5 billion into the Employees Retraining Fund, subject to the passage of the Appropriation Bill 2020.

9. While welcoming the proposed increase in the maximum amount of training allowance under the Special Scheme, some members were of the view that the amount of monthly allowance per trainee and the number of training places should be further increased. There was also a view that the computation for the daily allowance<sup>2</sup> under the Special Scheme should be based on 20 days, instead of 26 days, in a month. The Administration advised that it would take note of members' various views when working with ERB on the legislative amendment in relation to the maximum amount of monthly allowance.

### **Relevant papers**

10. A list of the relevant papers on the LegCo website is in the **Appendix**.

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<sup>2</sup> The current training allowance for full-time courses and part-time courses are \$153.8 and \$76.9 per day respectively, at a ceiling of \$4,000 per month for each eligible trainee.

**Relevant papers on the Employees Retraining Ordinance  
(Amendment of Schedule 4) Notice 2020**

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Manpower	8.11.2019 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	17.12.2019 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Council meetings	26.2.2020	<a href="#">Official Record of Proceedings (Question 5)</a>

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