

Chapter 8 Management of the Employees Retraining Fund

- 8.1 At the meeting of the Executive Council on 23 October 2007, the Council advised and the Chief Executive ordered that the ERB should be allowed to start to draw down the Employees Retraining Levy collected from employers of foreign domestic helpers to support its operation and services.
- 8.2 Compared to the last 15 years, the service clientele and spectrum of the ERB will expand significantly in future. In order to accomplish the goals and work objectives, the availability of sufficient financial capital is essential. As a public organization, we should adopt the important principle of “Living within Our Means” and to act prudently in financial management. In view of the extensive service spectrum, the Executive Office needs time to implement the expansion progressively, and will devise a 3-year action plan for each of the key work objectives so as to materialize the whole plan in an orderly and effective manner. Concurrently, we are formulating our long term capital management strategy, with the aim to enhance the investment return of the Employees Retraining Fund and to build up a solid financial base for the sustainable development of our services in future.
- 8.3 The ERB aspires to work on the principle that through more effective asset management, the investment return of the Employees Retraining Fund together with the levy collected every year will generate sufficient fund to meet all recurrent expenses of the Board for the provision of training services and programmes and to build up a sufficient reserve for future expansion.
- 8.4 To better reflect our new missions and scope of services, we propose to rename the Employees Retraining Scheme as “Manpower Development Scheme”. Semantically, the term “manpower development” denotes “training” as well as “retraining”. In essence, we shall operate the “Manpower Development Scheme” in offering vocational training for the unemployed. We shall also provide skill upgrading courses for the employed and launch training on generic skills (including betterment of personal attributes and foundation

skills) to meet the needs of the working population. Progression ladders will be mapped out for fostering development and nurturing of manpower among different trades. Considering the continuous development and improvement of our services, we believe that we shall be able to provide a more comprehensive mechanism for manpower training and development in time. This may also push the development of manpower to a higher level.