

# **Report on Strategic Review for Employees Retraining Board**

## **Executive Summary**

The Employees Retraining Board (ERB) last reviewed its development directions in 2008, which has been 15 years from now. During this period, the demography and economic structure of Hong Kong have been evolving. Coupled with the increasingly wide application of technologies across industries, manpower demand of employers has thus changed. At present, training services in Hong Kong focus more on the prevailing market demands targeting on the main job roles and skills in the service sectors. This could not effectively support the development of the local emerging industries and new quality productive forces. As the local workforce ages, older workers would retire progressively. Hong Kong needs to enhance the productivity of the local manpower in order to maintain the impetus for economic development. In view of the considerable expansion of the higher education, workers with higher educational attainment increase steadily and will become the pillar of labour force. Workers with higher educational attainment also need continuous learning to acquire new skills in order to adapt to the ever-changing demands of the labour market. Moreover, given the challenge of a shrinking labour force coupled with the persistently full employment situation, we need to encourage and attract more potential workforce to join the labour market, whilst providing them with necessary training in order to maintain the local labour supply.

In the 2023 Policy Address, the Chief Executive invited the ERB to conduct a comprehensive review on its service scope, training strategies, mode of operation, etc. and submit recommendations by the third quarter of 2024 to support Hong Kong's economic development and manpower training and promote continuous learning and skills development for all. The ERB henceforth established the Steering Committee on Strategic

Review (Steering Committee) to steer and oversee the review. From December 2023 to March 2024, the Steering Committee organised a series of consultation sessions to extensively solicit views and suggestions from various sectors, and commissioned a third party organisation to collect views from the general public and relevant stakeholders and conduct analyses for understanding from multiple perspectives of the public views on the ERB's review. As reference for this review, the Steering Committee also examined the successful experiences of implementing vocational education and promoting lifelong learning in places outside Hong Kong.

During consultations, there was a consensus amongst stakeholders across different sectors that the ERB should strengthen its role in local training from a forward-looking perspective in providing training services to address not only prevailing market demands but also the needs for future development. The ERB should expand its service target and service scope, promote lifelong learning for the entire workforce, enhance the competitiveness of the local labour force in different levels and sectors, so as to supply a flexible, quality and adaptive pool of human resources for driving the development of Hong Kong's knowledge-based economy and sustainable economic growth. The ERB should specifically undertake reforms along the following directions:

- (i) **Repositioning:** Having regard to the prevailing and future development of Hong Kong, the ERB should redefine its functions and positioning, and consider renaming the organisation to better reflect its new role. The ERB should enhance its training and employment support services, in order to encourage and assist people with different backgrounds and educational attainment in pursuing continuous learning, up-skilling/re-skilling, in order to maintain competitiveness and adapt to the market demands.

- (ii) **Expanding the Service Target:** The ERB's service target should cover the entire local labour force, i.e. including those with higher educational attainment, while preserving its mission of training grassroots workers. In developing its services, the ERB should also take into account the training needs of employees in small and medium-sized enterprises.
- (iii) **Strengthening Research Capabilities to Grasp Future Skills Trends:** The ERB should strengthen its research capabilities to apprehend the trends for prevailing and future skills demands and the manpower needs of different industries (including emerging sectors). This will enable the ERB to formulate an appropriate training framework and guide its training bodies to develop suitable courses. Moreover, the ERB should also enhance its branding and image to enable the public to learn about its new positioning and services.
- (iv) **Adopting a “Skills-based” Training Strategy and Curriculum:** In addition to training workers based on job roles and occupations, the training strategy and curriculum should shift towards a “skills-based” approach. This involves incorporating more up-skilling and re-skilling elements into course planning, promoting diverse teaching methods and online learning mode, and exploring the provision of “micro-credentials” courses.
- (v) **Developing a “Skills-based” Learning Pathway:** The ERB should formulate a progression framework and pathway for different types of skills training which connects to the entry requirements of relevant occupations/posts to guide in-service employees and unemployed persons to acquire new skills and upskill through training. This will continuously improve the quality of local labour force, and assist them in career progression

and job changes.

- (vi) **Optimising the Mode of Operation:** The ERB should review the appointment mechanism of training bodies so as to engage more institutions which are capable of providing suitable courses; explore collaboration with international corporations and professional bodies to award industry-recognised qualifications; and establish partnership with local tertiary institutions, large enterprises, technology companies and professionals, etc.
- (vii) **Exploring the Feasibility of Integration and Collaboration with Other Government-funded Training Initiatives/ Programmes:** The ERB should explore to diversify the funding modes for training, such as consolidating existing training resources including the Continuing Education Fund and introducing training voucher system, etc. with a view to enhancing the overall efficacy of training resources.
- (viii) **Consolidating Training Support Facilities:** The ERB should identify a convenient and accessible location to set up a comprehensive training service and learning centre to cater for the service needs and future development of the ERB. The centre should also serve as a hub for skills enhancement, continuous training and lifelong learning.

The ERB fully acknowledges that the comprehensive review has far-reaching implications and is instrumental to the future development of manpower training in Hong Kong. After thorough deliberation, the ERB endorsed the above reform directions. On this basis, the Steering Committee drew up a series of recommendations, which were approved by the ERB. While some recommendations can be implemented in the short term, some others involving legislative amendments, formulation of mechanisms, deployment of resources, etc., would require further

deliberation with the Government.

### ***Implementation of Short-term Measures***

The ERB recommends the following short-term measures to optimise the training services provided for the local labour force. Major measures include:

- **Expanding the Service Target:** To lift the restriction on educational attainment of trainees and expand the service target to the entire local labour force aged 15 or above; increase the number of training places for part-time skills upgrading courses; and introduce more courses that are suitable for trainees with higher educational attainment.
- **Adjusting Training Strategies and Curriculum:** To adopt a “skills-based” approach in providing more short-term, modular skills upgrading courses; promote online learning; and strengthen collaboration with industry partners with a view to sharing job market information to ensure that training courses can meet market needs.
- **Optimising the Mode of Operation:** To strengthen collaboration of ERB’s training bodies with established organisations, leading enterprises and emerging enterprises; diversify the direction for course development for provision of relevant skills training for learners with different educational backgrounds and work experiences; explore the adoption of a “dual-track” quality assurance mechanism, and introduce more higher educational institutions and enterprises as training bodies and partners.
- **Enhancing Trainers’ Teaching Skills and Quality of Courses:** To provide online resources for trainers to enhance their skills in

teaching and course management with a view to enhancing the overall quality of the ERB's courses.

- **Consolidating Training Support Facilities:** To establish an integrated training service centre as a central hub for provision of skills enhancement services to the public.

### ***Study on Medium-to-long-term Measures***

The medium-to-long-term measures concern reforms in organisational structure, operating mode, course design and contents, development of “skills-based” learning pathways, etc., which require more in-depth study and analysis for the formulation of the implementation plan and timetable. The ERB recommends commissioning consultancy service to study the renaming of the ERB to reflect its new positioning, role and mission for fulfilling the vision and objective of continuous training and lifelong learning for all. The consultant will at the same time formulate the details of the medium-to-long-term measures, including uplifting the ERB's training and employment support services in line with its repositioning and expanded service target; exploring ways to effectively identify new job roles and skills for emerging industries; exploring room for further expansion of the ERB's service scope; exploring the streamlining of procedures for appointment of training bodies; examining further enhancements to the ERB's current mechanisms for disbursement of retraining allowance and course fees, and the feasibility of introducing other funding modes; and studying possible integration and collaboration with other government-funded training initiatives/programmes, etc. The consultant will also examine whether the ERB should adjust its organisational structure to ensure effective discharge of the enhanced functions set out above. The ERB will establish a dedicated taskforce to oversee the preparatory work and the progress of the consultancy study.

### ***Follow-up Actions***

Upon the Government's endorsement of the recommendations in this review report, the ERB will implement the short-term measures starting from the first quarter of 2025. The ERB plans to commence the consultancy study on the medium-to-long-term measures within this year for submission to the Government by the end of 2025.

Implementation of the full set of reform measures may involve amendments to the Employees Retraining Ordinance and additional resources. Throughout the implementation process, the ERB will work closely with the Labour and Welfare Bureau to examine and discuss important issues such as legislative amendments and financial arrangements.