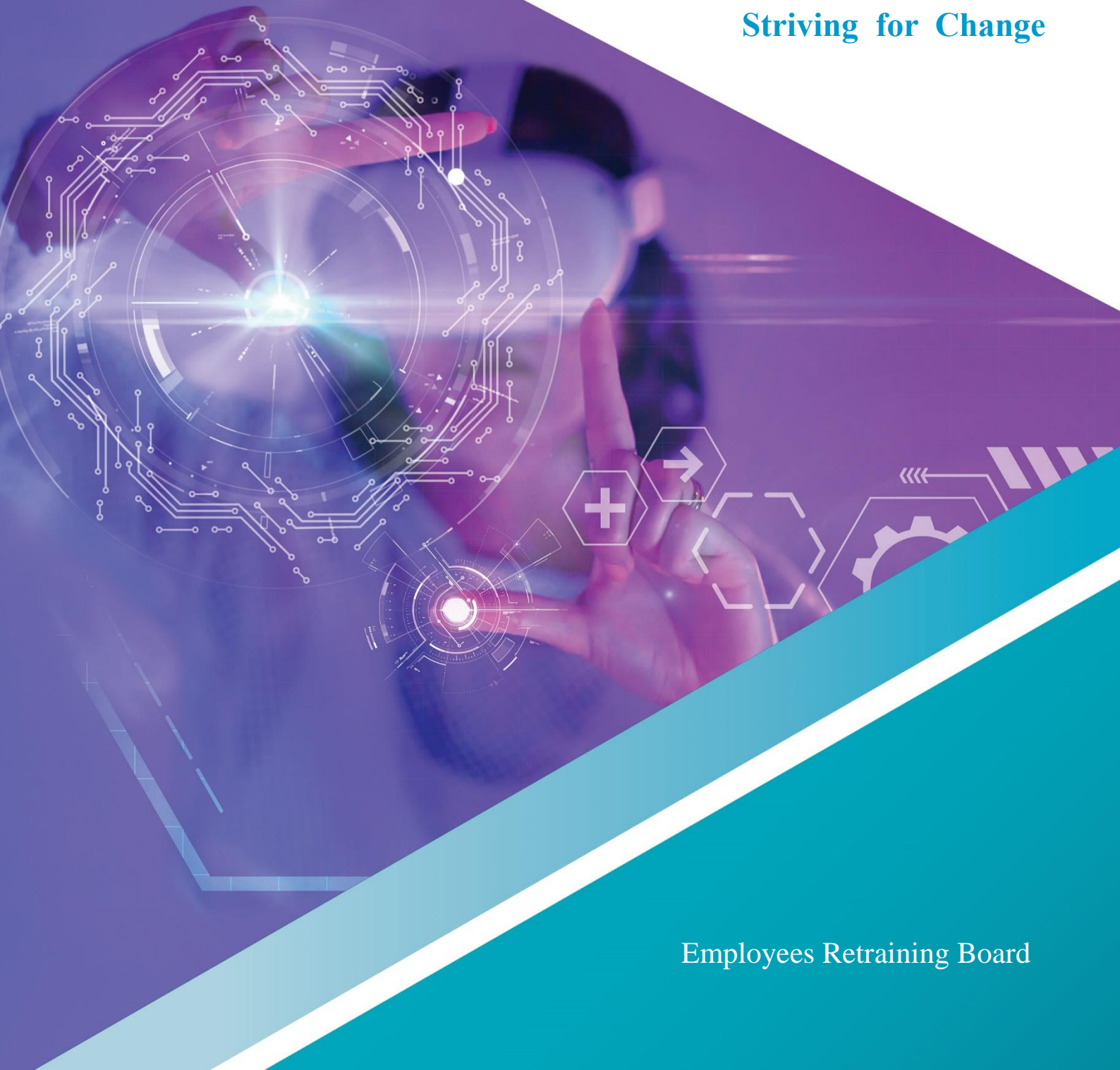


# Report on Strategic Review for Employees Retraining Board

October 2024

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Local Workforce in the Rapidly Changing Labour Market”*

***The Chinese version will prevail over the English translation of this report.***

## **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.

## **Chapter 1 Challenges and Opportunities for Local Training**

### **Role and Functions of the Employees Retraining Board**

#### ***Background***

1. The Employees Retraining Board (“ERB”) is a statutory body established in October 1992 under the Employees Retraining Ordinance (“the Ordinance”). It is tasked to administer the Employees Retraining Fund (“ERF”) set up under the Ordinance and the implementation of the employees retraining scheme, which aims to help the unemployed or those at the risk of unemployment to enhance their employability through the provision of appropriate retraining courses and services, and to address the manpower needs of employers and the economic development of Hong Kong. The ERB consists of a governing body led by a Chairman, comprising representatives of employers, employees, persons connected with vocational training and retraining or manpower planning, and government officials. It is responsible for the formulation of policies for ERB’s training and services, while the Executive Office takes responsibility in promoting and implementing the policies for training and related services.
2. When the ERB was first established, its service targets were unemployed people aged 30 or above, with the goal of helping them to be re-employed or to change careers. At the same time, the ERB was also committed to assisting disadvantaged groups, including people with disabilities, people recovering from work-related injuries, and the young-old, so that they could rebuild their confidence and return to work. In view of the continuous changes in Hong Kong’s economy, the Government commissioned a consulting firm to conduct a review of the ERS in April 1996, and announced the results of the review in June 1997. The review results suggested that ERB’s work should focus on providing training for unemployed persons aged 30 and above with educational attainment of junior secondary level or below. The scope of the

service was also extended to cover new arrivals in Hong Kong starting January 1997. In December 2007, the ERB once again expanded the scope of its service targets to include persons aged 15 or above and with educational attainment of sub-degree or below. Its repositioning in mid-2008 introduced “sustainable development” elements into the curriculum, helping trainees obtain recognised qualifications through learning pathways.

3. At present, the vision and mission of ERB are to provide a flexible, quality and resilient labour force, and to develop training courses and services in response to the changes in employment market, enhance the quality of our labour force and foster upward mobility for the knowledge-based economy of Hong Kong.

#### ***Appointment of training body***

4. Currently, the ERB operates by coordinating, funding and monitoring training bodies in offering training courses and services that are market-driven and employment-oriented. It has appointed 82 training bodies and over 370 training centres across the territory to provide over 700 training courses straddling nearly 30 industries. In order to support the development of local talents, the ERB has been actively identifying suitable institutions from different backgrounds with a strong employer network and considerable expertise and experience in vocational training or adult education, and inviting them to become ERB’s training bodies. In 2021, the ERB had reviewed the mechanism for appointing training bodies, improved the vetting criteria and simplified the related procedures to facilitate more high-quality training institutions to join the ERB to provide more diversified training courses. The major criteria for appointing training bodies include:

- (i) Pass the Initial Evaluation conducted by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (“HKCAAVQ”);
- (ii) Background of establishment, objectives, governance, training strategy and development, and financial status;
- (iii) Experience in adult/youth education and vocational training;

- (iv) Employers' network and experience in placement services;
- (v) Contribution to the development of the ERB; and
- (vi) Other relevant consideration factors (such as experience in social service and/or welfare, experience in providing services for special service targets, etc.).

5. To ensure that new training bodies possess the capability to deliver quality training and meet the quality assurance requirements under the Qualifications Framework (QF), any organisations interested in becoming appointed training bodies of ERB must pass the Initial Evaluation conducted by the HKCAAVQ prior to their applications to ERB. However, organisations with specialised training knowledge and experience may be exempted from this preliminary assessment criteria, enabling the ERB to appoint organisations that can offer specialised training promptly when needed. Additionally, affiliated institutions of local universities that possess self-accrediting statuses may also qualify for exemption. Once the applications are endorsed by relevant Committee and endorsed by the Board of ERB, the Executive Office will arrange for gazettal procedures to include the approved organisation under Schedule 2 of the Ordinance. The organisation may offer ERB courses and services when the gazettal procedure is fully completed and the Service Agreement between the ERB and the organisation is signed.

### *Nature and types of training courses*

6. To address the diverse needs of various service targets, the ERB offers a wide range of training courses, including placement-tied courses for the unemployed, generic skills courses applicable across industries, and skills upgrading courses aimed at helping serving employees to upgrade their skills. Additionally, the ERB provides specialised training courses such as youth training courses, courses for persons with disabilities and those recovering from work-related injuries, courses for rehabilitated persons, courses for ethnic minorities taught in English and courses designed for new arrivals. All ERB courses are market-oriented, employment-focused, enabling for flexible adaptation to market changes.

7. Currently, placement-tied courses are offered free of charge exclusively for the unemployed, while non-placement-tied courses are fee-charging courses. Applicants with no income or low income may apply for fee exemption or subsidy. Full-time placement-tied courses that last seven days or more will normally include the payment of retraining allowance. Trainees who meet the eligibility criteria for the allowance – including the attainment of an attendance rate of 80% or higher can apply for the allowance after completing the course.

### ***Supporting services***

8. In addition to providing training courses, the ERB also provides a series of support services to help citizens and trainees access training and employment information. ERB Service Centres and ERB Service Spots are the district-based windows of ERB, providing diversified support services to citizens in the district who are in need of training and employment services. Industry seminars, taster courses, as well as activities for special service targets (such as youth, “Post-50”, new arrivals and ethnic minorities, etc.) are offered to enhance citizens’ understanding of ERB courses and industry prospects. ERB Service Centres and ERB Service Spots also assist service targets to enroll in ERB courses. Additionally, the ERB has installed ERB Training Net course search terminal at over 100 locations. Citizens can obtain information on ERB courses, training centres, services and activities as well as register for training consultancy service through ERB Training Net. The ERB Service Centre located in Tin Shui Wai and ERB Service Spots in New Territories and Kowloon have been strengthening district networks and promoting ERB courses and services through provision of support services.
9. On completion of placement-tied courses, trainees are provided with placement follow-up services for 3 to 6 months (including job vacancies information from the Labour Department and counseling services) by the training bodies. The ERB also operates an “Online Employment Service Platform” to provide trainees with employment

related information and help them in searching jobs. The ERB also coordinates the “Smart Living” and “Smart Baby Care” service referral platforms to provide referral services to trainees who have completed ERB’s relevant courses, covering home services, elderly care, post-natal care and infant/child care etc., and to help trainees develop a network of employers with a view to raising their job opportunities.

10. The ERB has launched training consultancy service since 2011 to provide citizens with training and employment needs with personalised support and advice services. ERB’s Training consultancy services include:
  - (i) Personalised consultation service: By assessing the training needs and job aspirations of the users through face-to-face interviews or video conferencing, training consultants will provide recommendations to users on suitable ERB courses and assist them to apply for these courses; and
  - (ii) Group service: Training consultants will visit NGOs, district bodies and secondary schools to provide on-site consultation service or briefing session to social groups with special needs (e.g. new arrivals, persons with disabilities and persons recovered from work injuries, ethnic minorities, rehabilitated drug abusers, rehabilitated offenders and secondary school students who will soon be leaving school, etc.). The objective is to enhance their understanding of training and employment information in the community.

### ***Industry networks and connections***

11. At present, the ERB has established “Industry Consultative Networks” (ICNs) for 20 different industries. The ICNs are composed of representatives from trade associations, labour unions and professional bodies, providing expert advice on market demand, skills requirements and training needs of the respective industries. Moreover, they provide advice on the design of existing courses and the development of new courses to ensure that the training portfolio is updated timely to reflect market changes and that the industries

and the ERB can communicate effectively. To ensure that our courses cater timely for market changes and industry needs, since 2008 the ERB has engaged the services of veteran practitioners from different industries in the capacity of technical advisors. The ERB has benefited greatly from the advice and assistance of technical advisors in the work of course development and quality assurance.

### ***Course fee and subsidies***

12. ERB courses are provided by training bodies and financed by the Employees Retraining Fund. Based on number of classes commenced, the ERB will, on a monthly basis, first provide partial funding (around 50% to 70% of the approved course budget) to training bodies, with the balance being settled upon completion of each class. Funding for each class depends on admission rate of that particular class. On the other hand, non-placement-tied courses are normally fee charging. Course fees are determined according to the following income level of the trainees (with effect from 1 April 2024):
- (i) Course fee waiver (applicable to trainees with monthly income between \$0 and \$ 14,000).
  - (ii) Highly subsidised fee (applicable to trainees with monthly income between \$14,001 and \$22,000).
  - (iii) Normal subsidised fee (applicable to trainees with monthly income of \$22,001 or above).

To ensure effective implementation of the above subsidy mechanism, trainees who have course fee waived or those who pay “Highly Subsidised Fees” are subject to income surveillance. Selected trainees must provide income proof or Comprehensive Social Security Assistance (CSSA) notification issued by the Social Welfare Department to indicate their eligibility to apply for subsidies or be exempted from paying course fees.

### ***The Levy***

13. Funding for the operation of ERB comes from the ERF. According



to the Ordinance (Cap. 423) enacted in 1992, the Chief Executive in Council may from time to time approve a scheme (labour importation scheme) under the terms of which a levy shall be payable by employers in accordance with the imposition of the Employees Retraining Levy (“Levy”). The amount of the Levy is \$400 per imported employee per month.

14. The Supplementary Labour Scheme and the scheme for importation of foreign domestic helpers (“FDHs”) were approved as “labour importation schemes” under the Ordinance (Cap. 423) in 1996 and 2003 respectively. Due to the large number of FDHs in Hong Kong, the amount of levy collected from employers of FDHs is much higher than that collected from employers of the Supplementary Labour Scheme. Such a levy was once the main source of income for the ERF. As one of the relief measures, all levies were waived for five years starting on 1 August 2008. After the levy exemption arrangement expired on 31 July 2013, the Chief Executive announced that the levy on employers of FDHs would be cancelled, and the Supplementary Labour Scheme would remain a “labour importation scheme”. As a result, ERF’s income dropped significantly. In September 2023, the Supplementary Labour Scheme was renamed as the Enhanced Supplementary Labour Scheme to optimise the coverage and operation of the original scheme. Furthermore, the Government launched “Sector-specific Labour Importation Schemes” and “Special Schemes to Import Care Workers for Residential Care Homes” in 2023, which will increase the ERB’s levy income.

### ***Government funding***

15. The Government injected \$15 billion into the ERF on 24 January 2014 to provide stable and lasting financial resources for the ERB to make long-term planning. In June 2020, the Government injected another \$2.5 billion for the ERB to cope with the anticipated increase in financial commitment due to the increase in the monthly limit on Retraining Allowance and the launch of the “Love Upgrading Special Scheme” from 2019-20.

### **Changes in the local labour market**

16. Hong Kong is evolving into a diversified industrial economy. Alongside the consolidation of local pillar industries, the Government is dedicated to fostering high-value-added sectors. The training and services offered by the ERB not only address the current human resource needs of the labour market but also anticipate the skills and vocational competencies required for future industrial growth. This approach aims to facilitate the transformation of the local economy and generate high-quality employment opportunities.
17. In today's fast-paced technological landscape, the integration of technology into business operations and production processes is becoming increasingly prevalent, creating new opportunities to enhance quality and efficiency across industries. In this dynamic environment, the demands for human resources and the nature of job roles are continuously evolving, leading to greater opportunities for the labour force to undergo job changes or career transitions. Consequently, it is essential for local training services to implement "skills-based" training programmes that empower the labour force to remain competitive during these shifts.
18. Amidst Hong Kong's aging population and declining birth rates, the labour force is steadily shrinking. In light of this decrease, combined with a persistently full employment situation, it is crucial for Hong Kong to encourage and attract more potential labour force to join the labour market and to provide them with necessary training in order to sustain local labour supply.
19. The Government has made substantial investments in higher education, resulting in a significant increase in the proportion of the labour force with higher educational attainment over the past decade (see **Table 1**). Concurrently, in a technology-driven economy, employers are placing greater emphasis on work experience and specific practical skills. As a result, even individuals with higher educational attainment must engage in continuous learning to

acquire new skills and knowledge that align with the evolving demands of the labour market.

**Table 1: Local labour force by educational attainment in the past ten years**

<b>Year</b>	<b>Educational attainment</b>				
	<i>Post-secondary – sub-degree or below</i>		<i>Post-secondary - degree</i>		<i>Total</i>
<b>2014</b>	2,564,100	71.3%	1,032,500	28.7%	<b>3,596,600</b>
<b>2015</b>	2,511,400	69.3%	1,110,400	30.7%	<b>3,621,900</b>
<b>2016</b>	2,476,900	68.4%	1,146,600	31.6%	<b>3,623,500</b>
<b>2017</b>	2,451,700	67.2%	1,196,700	32.8%	<b>3,648,400</b>
<b>2018</b>	2,440,700	66.4%	1,237,100	33.6%	<b>3,677,900</b>
<b>2019</b>	2,420,900	66.2%	1,238,400	33.8%	<b>3,659,300</b>
<b>2020</b>	2,339,800	65.2%	1,249,500	34.8%	<b>3,589,300</b>
<b>2021</b>	2,314,200	65.3%	1,228,600	34.7%	<b>3,542,800</b>
<b>2022</b>	2,244,700	64.9%	1,214,200	35.1%	<b>3,458,900</b>
<b>2023</b>	2,219,500	63.4%	1,279,900	36.6%	<b>3,499,400</b>

*Notes: Number of persons are rounded to the nearest hundred. Figures in the table may not add up to the total due to rounding.*

Source of information:

Census and Statistics Department (30 May 2024): Table 210-06203A: Labour force and labour force participation rate by educational attainment, age and sex (excluding foreign domestic helpers)(retrieved on 12 June 2024)

### **Drive by Government policy**

20. In the “2023 Policy Address” released on 25 October 2023, the Chief Executive had announced his policy initiatives for strengthened training and re-employment measures. Among these measures, the ERB completed the legislative amendments in the first quarter of 2024 to increase the maximum monthly retraining allowance from \$5,800 to \$8,000, thereby encouraging the labour force to re-enter the labour market through training. On the other hand, the ERB launched the One-stop Training and Employment Scheme to

motivate potential labour force to seek employment. In addition, the “2023 Policy Address” also called on the ERB to conduct a comprehensive review of its service target and service scope, training strategies and mode of operation to better cater the training needs of the local labour force.

Extracted from “2023 Policy Address”:

*“133. The prevailing manpower shortage has constrained the pace of economic recovery of Hong Kong. To meet the imminent needs, we have, on a time-limited and non-permanent basis, enhanced the mechanism for admission of talents and labour. The Government attaches great importance to giving priority to local workers on employment. We will strengthen the training, support and protection for local workers, expand the potential labour force, enhance the productivity of our workers and create high-quality employment opportunities to cater for the need of our workers.*

*134. To encourage the latent labour force to enter the labour market, we will complete the legislative amendments early next year regarding increasing the maximum monthly retraining allowance by nearly 40% from \$5,800 to \$8,000 early next year. Furthermore, the Employees Retraining Board (ERB) will roll out a two-year pilot scheme in the first quarter of next year, allowing employers to arrange enterprise-based pre-employment training, with the provision of retraining allowance. The first phase of the pilot scheme will target trades facing severe manpower shortage, such as healthcare, catering, retail and hotel hospitality services. Upon completion of training, trainees will be offered employment contracts by the participating enterprises, lasting for no less than one year and with salary above the prevailing market wage. The ERB will also offer the trainees six-month placement follow-up services and skill training.*

*135. The ERB will review its service scope, training strategies and operation mode, etc. to better meet the needs of Hong Kong’s economic development and manpower training, and promote*

*continuous learning and skills development for all. It will submit recommendations in the third quarter of next year.”*

### **Composition and Functions of the Steering Committee on Strategic Review**

21. In response to the announcement in the “2023 Policy Address” that the ERB would conduct a comprehensive review of its service target and service scope, training strategies and mode of operation, the ERB immediately established a Steering Committee on Strategic Review (“Steering Committee”) at a special board meeting on 31 October 2023. The Steering Committee supervised the executive office’s implementation of the review work and the progress. The Steering Committee is led by ERB’s Chairman, with members including Vice-Chairman, Convenors of various Committees<sup>1</sup> and Government representatives.
22. The Steering Committee convened its first meeting on 23 November 2023 to discuss the direction and scope of the strategic review, and approved its functions as follows:
  - (i) Supervise ERB’s Executive Office in conducting a systematic review of the scope approved by the special Board meeting, ensuring that the recommendations align with the expectations of the “Policy Address” and address Hong Kong’s economic development and training needs, which aims to promote sustainable development for all talents through continuing education and skills upgrading;
  - (ii) Monitor the progress of the review conducted by the Executive Office; and
  - (iii) Review the recommendations proposed by the Executive Office for each review area and the implementation timetable before putting forward to the Board for consideration.

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<sup>1</sup> Currently, ERB operates with five committees, including Course Development and Vetting Committee, Quality Assurance and Review Committee, Public Relations, Promotion and Support Services Committee, Finance and Administration Committee and Audit Committee.

23. During the review period, the Steering Committee held five meetings. The composition of the Steering Committee is presented at **Annex I**.

## **Chapter 2 Process of the Strategic Review and its Findings**

### **Approach and Process of the Strategic Review**

24. At its first meeting on 23 November 2023, the Steering Committee discussed and agreed upon the direction, scope, content and timeline of the review. During the process, the Executive Office had to consult various stakeholders and to make reference to the experiences of other countries in vocational training and lifelong learning. In addition, the ERB had also commissioned a third-party organisation to conduct an opinion survey, collecting feedback and comments from different stakeholders and the general public through questionnaires, interviews and focus group discussions.
25. During the consultation period from the end of November 2023 to January 2024, the ERB collected information from relevant stakeholders and the general public through various channels, including organising consultation sessions to meet and exchange views with labour unions, training bodies, trade associations, academia, ERB ICNs, human resources-related organisations and professionals on the future development of ERB, as well as collecting written comments from various sectors. To ensure that the Steering Committee could have a more thorough understanding of the different views on ERB's review, the ERB also commissioned a third-party organisation to conduct an opinion survey, collecting information through questionnaires, interviews and focus group discussions. In addition, the ERB also made reference to the successful experiences of places outside Hong Kong in implementing vocational education and promoting lifelong learning to provide a basis for the review.

### **Consulting the Key Stakeholders**

26. The ERB had organised a total of 11 consultation sessions for key stakeholders from various sectors, and the key stakeholders at each

session were as follows:

<b>Date</b>	<b>Key stakeholders</b>
<b>In 2023</b>	
21 <sup>st</sup> November	Panel on Manpower of the Legislative Council
8 <sup>th</sup> December	ERB's appointed training bodies
14 <sup>th</sup> December	The Hong Kong Federation of Trade Unions
20 <sup>th</sup> December	The Federation of Hong Kong and Kowloon Labour Unions
29 <sup>th</sup> December	Hong Kong Council for Accreditation of Academic and Vocational Qualifications
<b>In 2024</b>	
5 <sup>th</sup> January	Convenors of ERB's Industry Consultative Networks
9 <sup>th</sup> January	Former Planner of Singapore "Skills Future Movement"
10 <sup>th</sup> January	Federation of Hong Kong Industries, The Chinese General Chamber of Commerce Hong Kong, Employers' Federation of Hong Kong, Hong Kong General Chamber of Commerce, The Hong Kong General Chamber of Small and Medium Business
15 <sup>th</sup> January	Federation for Self-financing Tertiary Education
26 <sup>th</sup> January	Human resource management related organisations and relevant professionals
29 <sup>th</sup> January	Human Resources Planning Commission

### **Summary of views from key stakeholders**

27. The views on the future direction of ERB collected from various consultation sessions are summarised below:

- (i) **Future role and positioning:** The ERB should redefine its role and position to play a guiding and coordinating role



in local vocational training. It has to enhance its brand and image to a new height. The objectives may include the provision of re-skilling and up-skilling training to local citizens. Some stakeholders have also suggested that the ERB should enrich the blueprint of vocational education in Hong Kong, outline the development direction and mission of training in future, and consider providing value-added services to the local vocational education landscape. These services may include offering employment and training counselling services to citizens, helping employers understand the labour market, providing suitable “Future Skills” training courses for employees. Through developing “micro-credentials” courses, and aligning with the objectives of credit accumulation and transfer under the QF, the ERB should also map out a systematic training framework with learning pathways. On the other hand, apart from the ERB, there are other vocational training institutions such as the Vocational Training Council (VTC) and tertiary institutions in Hong Kong. Therefore, some stakeholders believed that the ERB should clearly define its position in the vocational training framework and should collaborate with other vocational education institutions to achieve complementary advantages and coordinated development. Some stakeholders had also suggested that the ERB should assist in increasing the labour force participation rate and unleash the local potential labour force to support local economic development.

- (ii) **Promoting Continuing Education and Lifelong Learning:** In addition to promoting vocational education, the ERB should also help in promoting a culture of “continuing education and lifelong learning”. Some stakeholders believed that the ERB should train Hong Kong residents in the Greater Bay Area to assist them in returning to work in Hong Kong so as to facilitate the integration of talents in the Greater Bay Area. It was also

suggested that the ERB should assist employers in training imported workers and foreign domestic helpers on a fee-charging basis to enhance the quality of services in Hong Kong and unleash the local potential labour force. To fill the gap between the current demand for skills and the actual training work, it was recommended for the ERB to be more proactive in curriculum development by collaborating with employers and institutions, and conducting more research on the demand for “future skills”. The ERB should promote the importance of “Re-skilling” and “Up-skilling”, continuous learning for all, and encourage employees to upgrade their skills to meet the development of the society.

- (iii) **Rebranding:** The ERB should reassess its growth direction in light of the persistently full employment situation in Hong Kong. Some believed that the ERB should revamp its image and consider changing its name to alter the public’s perception of the organisation as solely focused on training grassroots workers.

### **Findings and Recommendations of the “Survey on the Training Needs of the Local Workforce in the Rapidly Changing Labour Market”**

- 28. To gain a thorough understanding of the current and future skills needs in various industries and to enhance the credibility of the review, the ERB has commissioned a third-party organisation to conduct a “Survey on the Training Needs of the Local Workforce in the Rapidly Changing Labour Market” (the “Survey”) from November 2023 to March 2024. The objectives of the Survey include:
  - (i) To explore the training needs of the local workforce in the rapidly changing labour market;
  - (ii) To investigate changes in job requirements across various

- industries and the future skills needed;
- (iii) To identify the shortcomings of existing training courses in responding to the drastic shifts in the labour market;
- (iv) To gather stakeholder opinions on skills training; and
- (v) To gain insights for effectively planning for training and services.

Through this survey, the Executive Office gathered valuable stakeholder insights on the strategic review of ERB, which will serve as basis for recommending improvement measures. The findings and recommendations of the Survey are presented at **Annex II**.

29. The Survey consisted of two parts, including (1) Quantitative survey: 1,261 members of the general public were interviewed via telephone on the basis of questionnaires; and (2) Qualitative survey: stakeholders' opinions were collected through six focus-group discussions and 56 one-to-one in-depth interviews. Stakeholders in the focus groups and interviews included representatives from employers, trade unions, labour unions, professional bodies, youth, young-old, female, social welfare organisations for ethnic minorities, training/ educational institutions (non-ERB training bodies) and human resources organisations, the ERB appointed training bodies and members from ERB ICNs.
30. The survey results (**Table 2**) reveal that 72.5% of respondents agreed the service targets of ERB should cover university graduates. Besides, about 86.5% respondents advocated for the ERB to offer more courses at higher qualification levels.

**Table 2: Survey on Training needs of the Local Workforce**

	Total	Educational attainment			Recognition of ERB		
		Lower secondary or below	Upper secondary to sub-degree	Degree or above	Have taken ERB course before	Recognise ERB but did not take any course	Does not recognise ERB
Question: Do you agree that ERB’s service targets should include university graduates?							
Agree	72.5%	66.6%	66.1%	85.6%	68.4%	72.6%	75.7%

	<b>Total</b>	Educational attainment			Recognition of ERB		
		Lower secondary or below	Upper secondary to sub-degree	Degree or above	Have taken ERB course before	Recognise ERB but did not take any course	Does not recognise ERB
Disagree	<b>22.5%</b>	26.2%	28.9%	11.1%	28.8%	23.1%	14.5%
Don't know/ No comment	<b>5.0%</b>	7.2%	5.0%	3.3%	2.8%	4.3%	9.8%
<b>Question: Do you agree that ERB should offer more courses at higher qualification levels?</b>							
Agree	<b>86.5%</b>	86.8%	84.8%	88.5%	88.7%	86.4%	84.9%
Disagree	<b>9.7%</b>	6.7%	11.9%	8.7%	9.1%	10.5%	6.5%
Don't know/ No comment	<b>3.8%</b>	6.5%	3.3%	2.8%	2.2%	3.2%	8.5%

### ***Summary of findings***

31. Based on the aforementioned survey results regarding local workforce training needs, respondents from both stakeholders and general public agreed that the ERB should extend its service target and service scope to individuals with university degrees. Additionally, the Survey highlighted the following key points:
- (i) **Challenges encountered by various industries in human resource management:** chronic shortage of manpower for entry-level positions, lack of skills training pathways, training/ assessment system could not align with real-world situation.
  - (ii) **Changes in the skills required by various industries and the emergence of new professional competencies:** expansion of employees' responsibilities; work transformation and increase in online services/ activities, employees need to learn to use new technologies and to learn soft skills to align with the evolving nature of their roles.
  - (iii) **Intention of employees to further their studies:** around

46% of employees intend to improve their skills through further training, and 41% of them hope to study “industry-related professional qualifications or skills” courses; followed by courses related to “information technology skills” (40%) and “language skills” (32%).

- (iv) **Job seekers’ intention to receive further training:** about 65% of job seekers intend to improve their skills through further training, and around 55% of them hope to study for obtaining “industry-related professional qualifications or skills”; followed by “information technology skills” (37%) and “language skills” (27%).
- (v) **Intention of employment and further training among the potential workforce:** approximately 70% of homemakers intend to enhance their work skills through further training, while around 64% of persons who have recently retired have similar plans. In contrast, only about 9% of unemployed youth are considering further training.
- (vi) **Service target and service scope:** approximately 73% of respondents agreed that the ERB’s service targets should encompass individuals with university degrees.
- (vii) **Training strategy:** stakeholders suggested that the ERB should strengthen its skills-based training; offer more higher-level courses; the delivery mode should be primarily face-to-face instruction, with online learning as supplementary.
- (viii) **Mode of operation:**
  - Role and positioning: strengthen connections and collaboration with employers, labour unions, trade associations, and training bodies; avoid overlapping with the scope and role of tertiary institutions; strengthen its role as a job referral / matching platform as well as an intermediary between employers and employees;
  - Provision of classrooms/teaching facilities: provide more professional and educational technology equipment for trainees;
  - Subsidy to trainees: respondents did not agree to the

provision of subsidies to trainees through reimbursement as advanced payment of training fees may deter the motivation to pursue further training; respondents opined that training vouchers might encourage continuous learning but it would incur higher administrative costs; subsidies payable on conditions or payable by phases might be considered;

- Appointment of training bodies and trainers: The ERB should adjust the criteria for appointing training bodies to enable more industry-based organisations to participate; the current requirements for trainers were overly focused on academic credentials;
- Procedures for new course approval: The ERB should simplify the course approval procedures so as to reduce administrative costs and accelerate the launch of new courses.

### ***Recommendations from the Survey***

- (i) **Service target and service scope:** respondents generally agreed that ERB's service targets should be expanded to include university graduates, however as training places were limited, priority should be given to those with lower educational attainment.
- (ii) **Role, positioning and training strategy:** it is recommended to strengthen connections and collaboration with employers, labour unions, trade associations, and training bodies, to understand the skill needs for different industries and formulate coherent vocational training programmes; assist SMEs in training their employees; and strengthen the intermediary role between employers and employees, providing more support in job matching and follow-up. Meanwhile, the ERB should offer more higher-level courses focusing on skills-based training and application of technologies to cater "multi-skilled"

competency trend, and construct up-skilling pathways for various industries.

- (iii) **Increase publicity and enhance citizens' motivation for continuous learning:** according to the Survey, nearly one-fifth (18%) of respondents mentioned “free of charge course/ course with subsidies” could increase their interest in enrolling ERB courses. In addition, the ERB might consider expanding the choices of courses and strengthening the promotion of skill-based courses, continuous learning and skills upgrading.
- (iv) **Optimise the mode of operation through simplifying the mechanism:** streamline the administrative procedures for course approval in order to accelerate the launch of new courses; consider adjusting the appointment mechanism for training bodies, and relax the academic qualification requirements for trainers, so that experienced industry practitioners can be engaged to teach practical skills and better align the training with industry needs.

### **Reference to the experiences of Places outside Hong Kong**

- 32. In addition to stakeholder consultations and surveys, the Executive Office had also made reference to the vocational education and lifelong learning systems in eight countries including Singapore, Korea, Japan, Australia, Canada, Germany, Switzerland, and the United Kingdom. In addition, the policy outline for implementing vocational education and training in the Greater Bay Area of Guangdong Province in the Mainland had also been looked into. An overview of the implementation of vocational training and lifelong learning in the selected countries shows that each system is designed according to the uniqueness of its social structure, the transformation of its industries as well as the needs of its labour force. However, the similarity lies in the scope of services, with all selected overseas countries serving primarily only the residents of that country.
- 33. In the realm of training strategies, there is no doubt that lifelong

education is an important topic in the current development of international education. To address the challenges of economic transformation and demographic changes, the governments worldwide have been actively implementing various strategies to improve the quality of their working population. The key strategies to focus on are as follows:

- (i) emphasis should be placed on improving the employability of the labour force and providing skills-based training for service targets;
- (ii) implement “Future Skills” training to address the evolving needs of enterprises in transforming and emerging industries, with a focus on emerging technologies and digital skills training;
- (iii) strengthen collaboration with enterprises, training bodies, and other tertiary institutions, while implementing courses/programmes that emphasise practical work and skills training; and
- (iv) conduct skills needs study of the industry to provide a basis for the development of training on future skills.

34. Most of the selected overseas countries receive funding for lifelong education from local governments, with a few countries also receiving funding from enterprises. The forms of funding include distribution of training vouchers to the public (e.g. Singapore and Korea), direct funding to training bodies (e.g. Canada), and direct subsidy, loans, and scholarships to trainees (e.g. Australia and the United Kingdom). Among the selected overseas countries, training institutions in Korea, Japan, Germany, and Switzerland include government-recognised universities or vocational training schools. Some countries also have integrated training services complexes, where training bodies can rent facilities to provide training courses or organise training-related activities.



### **Chapter 3 Future Role, Positioning and Development Direction of the Employees Retraining Board**

35. Upon inception of the ERB, its targets were the unemployed persons aged 30 or above with educational attainment of junior secondary school or below, with an aim to enable them to receive appropriate training so as to re-enter the labour market. In December 2007, the ERB expanded the scope of its service targets to cover eligible local employees aged 15 or above with education attainment at sub-degree level or below<sup>2</sup>, including new arrivals. In 2008, the ERB repositioned its services as the “Manpower Development Programme” to maintain a “market-oriented, employment-oriented” policy approach to help the labour force, including the working population, especially the less competitive grassroots workers, to continue employment and self-enhancement. In general, ERB’s role and positioning in the past and at present was mainly to assist grassroots citizens or those with lower educational attainment, especially the unemployed middle-aged people, to receive retraining for successful job change or re-entry into the labour market.

#### **Key Points of Deliberation by the Steering Committee**

36. Based on the preliminary findings from the consultation meetings, survey results on the local labour force’s training needs, and successful experiences of overseas countries in implementing vocational education / lifelong learning, the Steering Committee had deliberated on and analysed the views and suggestions collected to come up with the following key points:

- (i) **Repositioning:** Having regard to the prevailing and future development of Hong Kong, the ERB should redefine its functions and positioning, and consider

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<sup>2</sup> Eligible employees in Hong Kong include individuals who are lawfully residing in Hong Kong and are free to be employed without any conditions, such as Hong Kong permanent residents and new arrivals.

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 (SMEs).
- (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) **Market/Industry-oriented:** The ERB should expand the industry/employer consultative networks to better

understand the local market. Conducting research on skills needs and industry development trends overseas or in neighboring regions will help formulate sustainable training strategies to meet the current and future development needs of Hong Kong.

- (vi) **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.
- (vii) **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.
- (viii) **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.
- (ix) **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.

### **Future directions**

37. Lifelong learning is crucial for boosting the local labour force's competitiveness. The Steering Committee highlighted the importance of ERB serving as a training platform for employment promotion and providing corresponding training for the labour force to meet the demand of the labour market, including:
- (i) **Grasping the market needs:** To effectively meet the diverse training needs and evolving skills requirements in the workplace, the ERB must thoroughly understand the market's skills demands. This involves conducting in-depth analysis of market trends, establishing strong partnerships with industries and enterprises, and promptly adjusting and optimising training contents.
  - (ii) **Recruiting more training bodies:** The ERB should establish an effective mechanism to appoint more suitable training bodies as partners. The ERB should also implement proper evaluation and monitoring systems to ensure that the courses offered by the partners meet the industry standards and market requirements.
  - (iii) **Developing industry-recognised programmes:** The ERB should establish qualifications that are recognised in the job market. This may be achieved by reviewing the required training content, conducting thorough research, and setting standards and principles to ensure that the training content aligns with the constantly evolving needs of the labour market.
38. The ERB proposes that the main goal of its services should be to enhance the quality of the local labour force. This would enable local employees to be multi-skilled and more adaptable. For grassroots workers, the aim is to provide training opportunities to

upgrade their existing skills and equip them with “skills for the future” to help them stay employed and develop their strengths in the workplace. For the unemployed, the ERB should offer training to assist them in finding jobs and provide them with new skills training to enable them to cope with the modern technological working environment, adapt to market changes, and enhance their work efficiency and productivity. Even people with higher educational attainment may need to acquire new skills and knowledge in their industry. The ERB should thus conduct in-depth research to understand the skill requirements of service targets and industries, so as to ensure that ERB courses can keep abreast of the current and future skills trends required by different industries in the labour market, provide a basis for planning the types and contents of training courses, and tie in with the gradual expansion of training places and the development of new courses.

39. In the future, the ERB will expand its training services to include skills upgrading and new technology training for grassroots and middle-level talents. The focus will shift from low-skilled workers to middle-level talents as well. For the training of high-end technical talents, the ERB will rely on educational institutions such as universities or tertiary institutions. ERB’s key service targets, future roles and positioning are summarised in the following chart:

### ERB’s service targets, future roles and positioning

#### 3 Facilitate exchange of information, particular in emerging skills

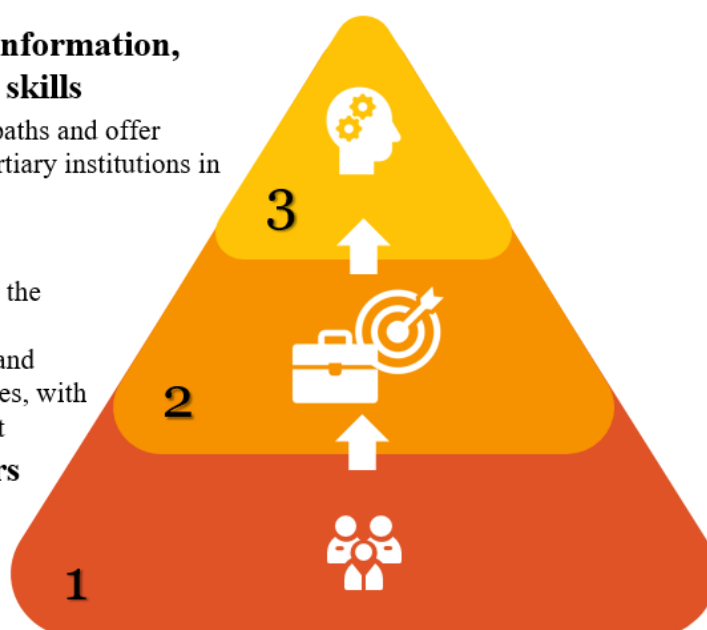
- Establish structured learning paths and offer bridging courses to support tertiary institutions in cultivating high-level talent

#### 2 Cultivate middle-level talents

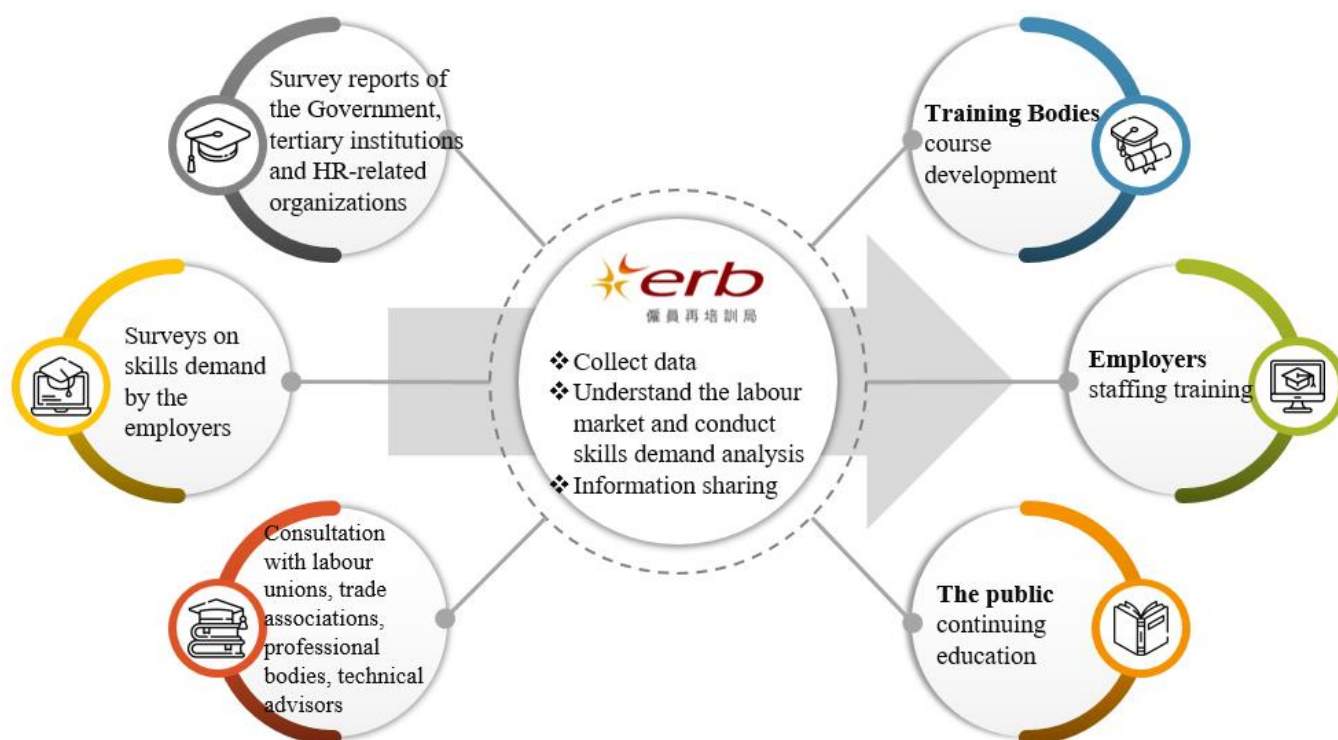
- Broaden the service scope and enhance the network of training institutions to help employees deepen their existing skills and acquire new knowledge and technologies, with the goal of fostering middle-level talent

#### 1 Support the unemployed / job-seekers

- By adopting a “skills-based” approach, ERB offer training to enhance the essential skills of the target groups and equip them with “future skills” necessary to remain employed or re-enter the labour market



40. As a local training information platform, the ERB is required to continuously collect the latest labour market information from various sources such as government departments, enterprises, employers, labour unions, trade associations, and professional bodies. After analysing the information, the ERB will share it with relevant stakeholders and disseminate it to training bodies, employers, and the public for various purposes.



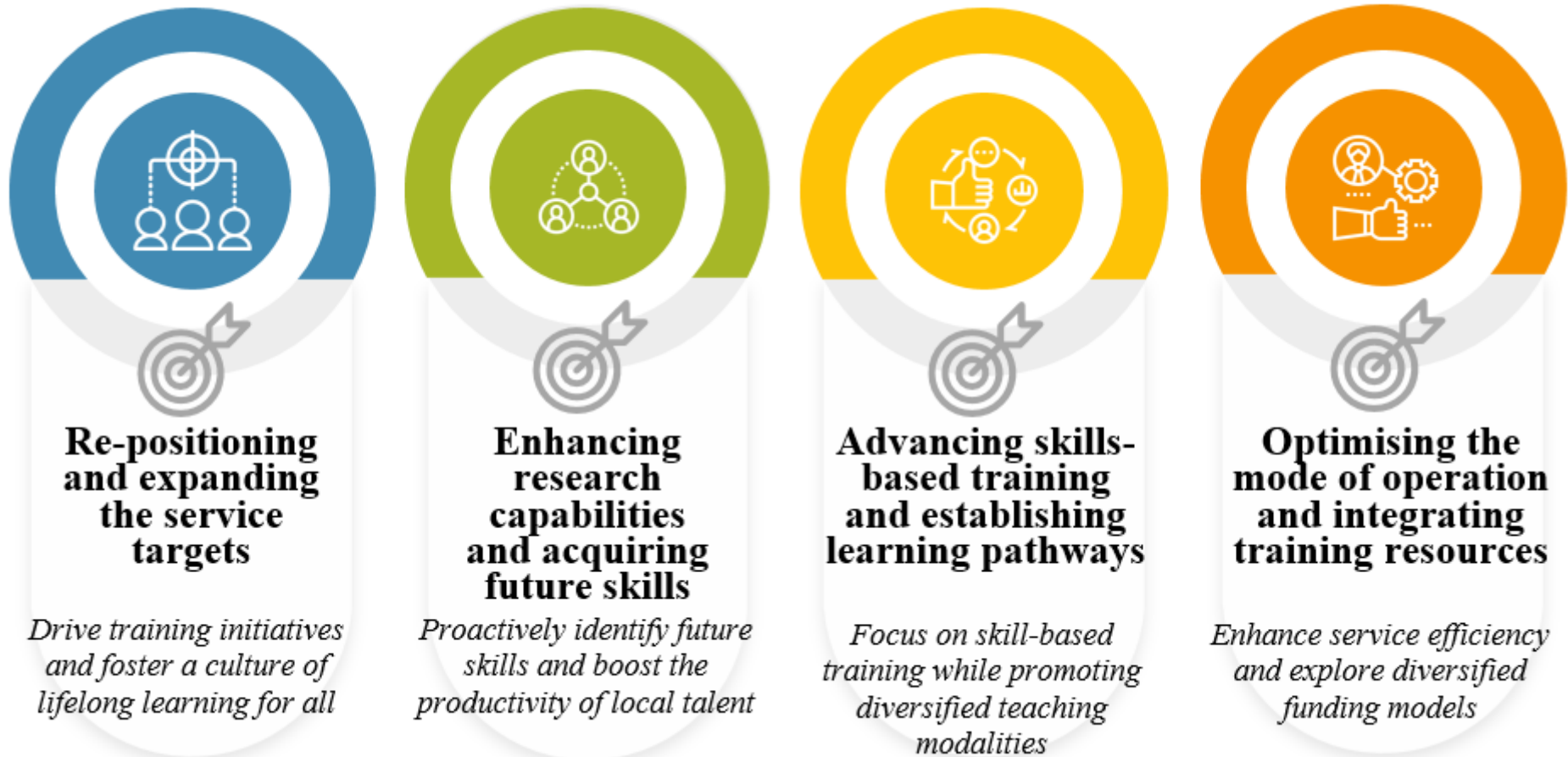
41. In the future, the ERB looks forward to playing an even greater role in local vocational training programs. ERB's key partners are outlined in the chart below.



To identify gaps in the training market, the ERB can offer more targeted training courses to meet the specific skills and knowledge needs of enterprises and individuals. This can help enhance the competitiveness of the labour force. In addition to filling market gaps, the demand for emerging industries and roles is constantly evolving due to changes in technology and the market. By collaborating with enterprises, trade associations, and industry leaders, the ERB urges to understand future skills needs and trends. This will enable the delivery of forward-looking training courses that prepare trainees with the new skills needed to meet future employment challenges.

42. The ERB will offer training courses and services to enhance the quality of the local labour force. It aims to play a dual role as a leading icon and promoter. Additionally, the ERB looks forward to collaborating with enterprises to support continuous learning and professional development, providing reliable learning support for the local labour force. The ERB has repositioned itself not only to provide more training courses, but, more importantly, to upgrade the level of training in response to market changes and the challenges of “Future Skills” development. It aims to play a key role in the field of vocational education and training to ensure that trainees and enterprises remain competitive in the ever-changing environment.

**The four key directions for development:**





## Chapter 4 The Focus of Development and Corresponding Follow-up Actions to Take

### Key Direction 1: Re-positioning and Expanding the Service Target and Service Scope

43. ERB's past work and contributions have been widely recognised by stakeholders and the public. In its early days, the ERB was a new initiative aimed at helping grassroots workers affected by economic restructuring to acquire new skills and re-enter the labour market. As Hong Kong moves towards a more diversified industrial economy, the Government is committed to not only consolidating the local pillar industries but also promoting high value-added industries to integrate into the overall development of the territory. Therefore, the ERB must adopt a forward-looking approach to its operations to meet the needs of Hong Kong's social and economic development.

#### *Views from stakeholders and the public*

44. Stakeholders generally support the ERB in expanding its service target group and continuing to focus on training local workers. With the continuous improvement of the academic qualifications of the local workforce, most stakeholders suggested that the ERB should relax the restrictions on academic qualifications for its service target, in order to match the development of a knowledge-based society. However, the ERB should still be required to make efforts in assisting people with employment difficulties and training needs, especially the unemployed and special service targets. Some stakeholders pointed out that university graduates generally lack work experience, and ERB courses can supplement their lack of practical skills and knowledge to facilitate their understanding and adaptation to the workplace more quickly. Some other stakeholders have also pointed out that people would have different training needs at different stages of their career pathways, and the ERB should therefore take into account the training needs of

individuals at different career stages.

45. Enterprises and industry experts consistently emphasised the importance of corporate training. They highlighted the strong demand for on-the-job training in SMEs and recommended that the ERB should collaborate with employers to customise training programmes for individual enterprises. This would help SMEs provide in-house training that meet their specific needs, enabling their staff to acquire new skills and improve productivity. Additionally, it is suggested that the ERB should establish a robust mechanism to review training services in order to enhance support for enterprises in the future. Some groups believed that the ERB should give more flexibility in developing training programmes for SMEs.
46. At present, ERB's training bodies and training centres are located in different districts of Hong Kong. In addition to helping the ERB recruit trainees for courses, the diversified locations also contribute to maintaining the reach of ERB's training services to all parts of the territory. Furthermore, some stakeholders had suggested that the ERB should incorporate more training bodies in order to offer the public a wider range of training courses for selection. The ERB should adjust the criteria for selection of training bodies so that more experienced and professional organisations in the industry are able to offer courses.

### ***Re-positioning***

47. With the continuous improvement of the educational attainment of Hong Kong citizens and the increasing adoption of new technologies across industries, the supply and demand of manpower and technology are constantly changing. All industries generally encounter the problem of insufficient human resources, and the key lies in whether the training can timely match the development of the industry. In fact, the labour force in Hong Kong is gradually declining due to the general trend of an aging population and a low fertility rate, which have brought new challenges to Hong Kong's labour supply. To combat this, the Government should step up to

encourage and attract more potential workers to the labour market and provide them with the skills training they need in order to maintain a stable local labour supply. On the other hand, with the rapid development of science and technology, the application of new technologies in industrial and commercial operations and production is becoming prevalent, which has brought new opportunities for various industries to improve in terms of quality and quantity. This would enhance the likelihood of the working population to change jobs or industries during their career life.

48. In response to the changing environment and persistently full employment situation in Hong Kong, the ERB should expand its training to encompass a wider spectrum of the labour force with higher educational attainment. While the ERB should continue to focus on training grassroots workers, especially those low-income and low-skilled individuals who may be displaced due to rapidly changing technologies and economic development, it should also consider the training needs of SMEs, it should enhance its existing training programmes, develop new training strategies, and offer industry-specific “skills-based” courses to meet the current and future demands of Hong Kong’s social and economic development. The new focus of ERB is to provide re-skilling and up-skilling opportunities for grassroots and mid-tier workers in the labour market. But academic programmes and advanced technological training should be entrusted to tertiary institutions such as the Vocational Training Council.
49. During the consultation process, it was generally agreed that the ERB should enhance its role in local training. Looking ahead, training efforts should not only address current market needs but also have to align with future development. The ERB should redefine its functions and positioning based on the current situation and the developmental needs of Hong Kong. Additionally, the name of ERB should be changed to reflect its repositioning. Furthermore, the ERB should elevate the quality of training and employment support service to encourage and assist individuals from diverse backgrounds and educational attainment to pursue further training,

upgrade their skills, maintain competitiveness, and meet the job market demands.

*Expanding the service targets*

50. In April 2024, the ERB initiated the “Love IT Upgrading Scheme” (the Scheme”) as a pioneering initiative to the relaxation of educational limit for enrolment of trainees. All eligible employees of Hong Kong aged 15 or above irrespective of their educational attainment can apply for the relevant training courses under the Scheme, subject to the specific entry requirements of individual courses. This opportunity is open to the unemployed persons, job seekers as well as in-service employees. Starting from the first quarter of 2025, the ERB plans to expand its service target to include individuals aged 15 or above, without an upper limit on educational attainment. This expansion of service target aims to benefit all citizens in need of new skills training and up-skilling training. On the other hand, the ERB will continue to provide dedicated training courses and services to cater to the needs of special service target groups, including ethnic minorities, persons with disabilities, individuals recovering from work injuries, new arrivals, and rehabilitated offenders.
51. Moreover, the ERB will offer a diverse range of training opportunities for SME staff. On top of the intended relaxation of the educational restrictions for course admission, the ERB will enhance its efforts in promoting training opportunities to SME staff. The training content will focus on vocational skills required in the workplace while more courses with cross-disciplinary subject matters will also be offered. The ERB will also strengthen partnership with various organisations including government departments, businesses of all sizes, as well as educational institutions. These efforts aim to improve the quality and competitiveness of SME staff, support sustainable SME development, and contribute to high-quality economic growth.
52. Apart from offering its effective training services in its current

operation, the ERB will aim at expanding its network of training bodies by collaborating with more organisations, especially tertiary institutions which are able to offer higher-level courses as well as innovation and technology courses. In addition, the ERB will partner with large enterprises and innovation and technology related organisations to organise advanced skills training courses with the goal of cultivating more skilled talents for Hong Kong, thus enhancing the competitiveness of Hong Kong's labour force.

53. In the medium to long term, the ERB will examine and assess the possibility of introducing a fee-charging mechanism to provide vocational training for imported workers or foreign domestic helpers. On the other hand, the ERB will also explore the need and possibility of legislative amendment to the relevant provisions under the Employees Retraining Ordinance in order to align with the future vision and mission of the ERB.

### **Key Direction 2: Enhancing Research Capabilities and Acquiring Future Skills**

54. In today's ever-changing social environment, the ERB should have a forward-looking vision and proactively introduce appropriate training courses and services that align with the current labour market situation. By conducting thorough surveys on employers' skill needs and analysing the labour market, we can gain a better understanding of the current trends and manpower needs of various industries. This will enable the ERB to stay updated with the market and to develop corresponding training strategies and plans ahead, ensuring that the local labour force is equipped with the necessary skills and knowledge to meet the demands of the labour market.

### ***Views from stakeholders and the public***

55. Stakeholders generally support the "skills-based" approach of ERB courses. However, some stakeholders have pointed out that currently, most of the retraining courses are at lower levels and

cannot meet the training needs of all people. Therefore, in addition to providing skills training required by the current job market, the ERB should focus on exploring new skills required by emerging industries. The ERB should develop more courses related to “Future Skills” and strengthen research capability in order to design new courses that meet future needs. Additionally, the ERB should develop training courses that meet the market demand for new jobs in emerging and high value-added industries as well as new business models. This will facilitate the upgrading and transformation of the local labour force.

56. The application of technology is crucial for the development of various industries. Some stakeholders believed that the ERB should allocate more resources to offer industry-based courses on the application of technology. This would support employees at all levels in upgrading their skills and achieving sustainable employment. The curriculum should focus on the practical application of innovation and technology, providing training tailored to the competencies of the trainees and the skill needs of employers. It is important to avoid blindly pursuing high-end technical training but instead should focus on providing appropriate levels of technology application training. Additionally, some academics had emphasised the importance of digital skills in today’s labour market, and had suggested that the ERB should establish a wider collaboration network with key technology enterprises.
57. According to the findings of ERB’s “Survey on the Training Needs of the Local Workforce in the Rapidly Changing Labour Market”, stakeholders pointed out that some jobs might be replaced by machines, while others need to be carried out in tandem with the application of technology. Therefore, employees need to learn new skills to meet the needs of industry transformation. To address this, stakeholders suggested that the ERB should develop more new technology application courses that are in line with the uplifting of the educational attainment of the workforce and technology advancement. This will help meet the industry’s demand for employees with multiple skills and map out training pathways for

various industries.

### ***Enhancing research capabilities***

58. ERB's training objectives are focused on preparing people for employment by enhancing their skills and adapting to changes in the economy through re-skilling and up-skilling. To achieve this, the ERB aims to keep its training courses aligned with the evolving needs of the job market. It also plans to conduct forward-looking research and analysis to develop new training courses in a timely manner. Additionally, the ERB intends to broaden its consultation efforts to gather diverse views for curriculum development. The Executive Office aims to collaborate closely with the business sector, particularly SMEs, to understand their labour and skills requirements and provide relevant training services to enterprises across industries.
59. The ERB will enhance its research and training capabilities through understanding current and future trends in skills demand and manpower needs across industries. It will also develop an appropriate training framework and steer training providers in developing relevant curricula. Additionally, the ERB will conduct thorough study on the labour market's manpower demands and closely monitor changes in essential and emerging skills needs in different industries. This will provide timely insight into current skills demand and emerging talent trends, forming a strong basis for formulation of training strategies and frameworks. Moreover, it will help training bodies to design courses that meet market demand and public expectations.

### ***Acquiring future skills***

60. As technology continues to advance and businesses to transform, the need for new skills and knowledge is constantly emerging. The ERB will closely monitor changes in the industry and provide more courses on emerging skills, especially those related to the industry's transformation, to meet the needs of employers in the light of new technologies. In the long run, the ERB will explore in greater depth new types of jobs and skills brought about by emerging industries,

with a particular focus on the training for mid-level and frontline staff. This will enable the ERB to better tailor its training courses to meet the industry's skills needs.

61. In addition, the ERB will actively seek opportunities to collaborate with technology companies and professionals to ensure that the course contents and teaching methods align with the latest industry trends. This will help trainees gain a competitive edge in the industry's digital transformation and pursue career and development opportunities in emerging technology fields.

### **Key Direction 3: Advancing Skills-based Training and establishing Learning Pathways**

62. In today's rapidly changing business environment, the ERB must be innovative and fast changing in order to support the local labour force in adapting to new challenges and opportunities. To foster diverse learning, the ERB will offer trainees a wider range of learning opportunities and encourage local employees to engage in continuous learning to acquire new skills and knowledge. The ERB has to provide diverse learning environment for trainees to acquire innovative thinking and problem-solving skills, so as to navigate workplace changes. On the other hand, it is also important to promote online learning and lifelong learning. In the digital age, online learning platforms provide citizens with convenient and flexible learning opportunities. Companies should encourage employees to utilise these platforms for continuous online learning to keep their knowledge and skills up-to-date.
63. Collaborating with enterprises is an important strategy for enhancing training courses. In general, enterprises have professional training resources and experience, allowing them to offer more diverse and professional training content. By partnering with these organisations, the ERB can benefit from their expertise and improve the quality of training courses. Apart from promoting knowledge exchange within the ERB, collaboration with enterprises can also enhance the overall effectiveness of training programmes.



64. The ERB will actively promote lifelong learning and encourage local workers to continue learning throughout their careers. This will help them cope with the ever-changing needs and challenges of new skills in society, promote the development of both the individuals and the enterprises, and ensure that local enterprises maintain their competitive advantage.

***Views from stakeholders and the public***

65. The majority of stakeholders support the ERB in developing more online self-learning and blended learning courses to promote online learning and enhance the digital literacy and related skills of the public. On the other hand, stakeholders of the industry believe that the ERB should provide more choices of courses for the public, including soft communication skills, industry skills training, digital technology training, etc. They believed that increasing the number of technology application courses, adding more course choices, and exploring new e-learning modes of courses will attract more young people to enroll, promote the concept of continuing education, and help unleash more potential labour force.
66. Some stakeholders had mentioned that potential labour force, such as female and part-time workers, are unable to commit to full-time study. They believed that the ERB should make flexible study arrangements for those job seekers. Some stakeholders had proposed that the ERB should provide more short-term modular courses and allow the trainee graduates to apply for a certificate equivalent to that of a full-time course by completing all the necessary modular training. Additionally, they suggested that the curriculum design should be more flexible and adaptable to different learning patterns according to different service targets.
67. Some stakeholders had expressed concerns about the suitability of the QF system for accrediting vocational training and skills-based courses. They had also highlighted that the course accreditation process was time-consuming, making it difficult to quickly launch new courses to meet market demand. As a result, some

stakeholders had suggested that the ERB should consider exempting certain courses from accreditation or developing a course articulation system or learning progression pathway to support different industries in building up their career ladders.

68. Based on ERB's survey findings, the changing contents of training courses might be restricted by the current course vetting procedures. As a result, the updating of courses to keep pace with the industry changes might somehow be delayed. Therefore, it is suggested that the vetting procedures should be simplified to ensure that the courses are launched in a timely manner.

### *Advancing skills-based training*

69. In today's rapidly advancing technological era, the ERB should consider the specific circumstances of the current situation, anticipate future development trends, and continually adjust and optimise existing training courses to tailor them to the local labour force. For this purpose, the ERB should prioritise the strategy of optimising training courses based on current market conditions. The ERB should regularly assess the training needs of various industries, adjust the content and mode of training courses according to current market trends and the skills required by local enterprises, and provide corresponding technical skills training to the employees. This is to meet the demand for training courses and services in today's society and to unleash the potential labour force.
70. Apart from training practitioners in specific trades and occupations, training strategies and curricula have shifted to a new skills-based model. In curriculum planning, the ERB will include more elements of up-skilling and re-skilling to help improve trainees' existing vocational skills, keep them up to date with rapidly changing industry needs, and maintain their competitiveness in the job market. The ERB will also continue to assist the unemployed and potential labour force in re-entering the labour market by offering placement-tied courses in part-time mode. Additionally, the ERB should aim to strengthen the training of placement officers

of training bodies and provide support for career guidance and career development planning to help trainees receive the necessary support in the process of employment or career change, facilitating the career transformation or re-entry to labour market for the unemployed and potential labour force.

71. The ERB will strive to offer more short-term, modular skills-based training courses. The curriculum development will focus on the future skills and knowledge required for the future job market. Additionally, there will be an emphasis on collaborating with industry partners to ensure that the course content remains relevant to employment needs. The concrete measures are outlined below:
- (i) To develop more skills-based modular short courses to enable trainees to acquire vocational skills more flexibly;
  - (ii) To develop training courses on emerging skills that meet the needs of future job skills; and
  - (iii) To design a series of courses for different industries and provide opportunities for advancement to encourage continuous learning and career progression.
72. The Government has all along been providing quality, diversified and multi-stage articulation pathways for young people of different orientations and abilities through vocational and professional education and training, with a view to encouraging them to pursue further studies or join different professions according to their abilities and interests, with the objective of meeting the manpower needs of Hong Kong's industries. In view of its new strategic positioning, the ERB will strengthen the promotion of continuing education and lifelong learning for local manpower. The ERB will keep the public informed of its latest developments and encourage local workforce to actively participate in skills-based training to improve their employability and competitiveness.
73. The ERB will actively seek collaborations with large institutions/enterprises, as well as innovation and technology enterprises to provide advanced skills training courses relevant to the industry. By partnering with these enterprises, the ERB can gain a

better understanding of the industry's needs and trends and develop training courses tailored to specific enterprise requirements. Involving industry and technical experts in course design ensures that the training content aligns with the demands of the actual work environment, thereby giving the trainees the opportunity to join leading enterprises, allowing them to be exposed to the latest industry technology, and to understand the internal operations and job requirements of the enterprises. On the other hand, enterprises can also nurture professional staff who know what the enterprises needs. Such joint promotion of training and development of new skills is conducive to a win-win situation and is of mutual benefit to the enterprises and the trainees.

74. The ERB will actively explore the possibility of collaborating with international enterprises, professional bodies/organisations to develop professional courses recognised by local industries. This will provide trainees with broader recognition and certification, thus enhancing their competitiveness in the job market. In the long run, working with international businesses and professional bodies will enable us to understand their certification requirements and industry standards. The ERB can then develop training courses accordingly, thereby providing participants with greater employment prospect in both local and international job markets. Such collaboration in promoting skills training will therefore help enhance the international competitiveness of local talents.

### *Establishing learning pathways*

75. The ERB will develop a framework with various pathways for different types of skills training to guide both employed and unemployed individuals to achieve skills upgrading and new technology training relevant to their respective occupations. The aim is to continually improve the overall quality of the local labour force, making it easier for them to advance in their careers or transition to new jobs. Through systematic training, the ERB will create customised skills training pathways for different industries, allowing employees to master advanced technology and meet the

requirements for various positions. Additionally, the ERB will focus on providing cross-industry and cross-functional generic skills training to expand employees' opportunities for career development. For the unemployed, the ERB will offer tailor-made training support to facilitate their transition to new employment.

76. With the advancement of technology and the popularisation of the Internet, e-learning has become an essential mode of learning in the modern era. The ERB will actively promote online learning and provide trainees with more flexible learning options, including customisable learning schedules and locations, personalised learning experiences, and interactive multimedia contents. The goal is to encourage lifelong learning among employees. Currently, the ERB has established a user-friendly e-learning platform and will gradually introduce online self-learning materials to offer trainees a wide range of e-learning experiences. The ERB will also explore the implementation of online self-learning courses to allow trainees to pursue continuous learning in a more flexible manner, to upgrade their skills in the light of the rapidly changing demands of the workplace, and to promote lifelong learning among them.
77. The ERB will explore the development of “micro-credentials” courses by way of short-term training modules with the objective of encouraging trainees to continue learning and upgrading of their skills. Such short-term modular courses will concentrate on specific skill areas or topics, enabling trainees to learn and improve particular skills in a targeted manner. Courses will be divided into different levels based on the depth of the content and learning effectiveness, allowing trainees to receive certification and recognition at various stages. Trainees can opt to obtain a preliminary skills certificate in different areas within a short timeframe. Additionally, they can select courses for long-term learning and career development to enhance their skills through horizontal or vertical progression. When planning the courses, the ERB will map out a clear learning pathway to help trainees organise their learning plans and achieve continuous skill enhancement.

78. To fully utilise the diverse learning environment and promote lifelong learning, the ERB will partner with local institutions and organisations to establish programme articulation pathways, enabling trainees to seamlessly transition from entry-level courses to more advanced courses, encouraging them to continue learning and obtain higher qualifications. Such articulation pathway will allow trainees to learn more comprehensive contents and more advanced skills so as to enhance their professional levels. For instance, the establishment of a credit system and recognition mechanism in collaboration with relevant institutions, trainees can gain credits and qualifications recognized by the industries upon completion of specific courses. Such measure will open up more opportunities for trainees to pursue higher qualifications and facilitate the integration of the education and training system. Ultimately, it will contribute to the development of more skilled professionals with specialised knowledge.
79. The ERB will continue to support groups with special needs, such as youth, ethnic minorities, new arrivals, persons with disabilities, and persons rehabilitated from work injuries through the continued provision of suitable training courses to enhance their employability. The ERB will strive to build an inclusive and diverse learning environment by offering dedicated training programmes for communities with special needs, enabling them to realise their full potential and contribute to society.

#### **Key direction 4: Optimising the Mode of Operation and Integrating Training Resources**

80. The quality of course content and the professionalism of trainers are crucial for achieving positive learning outcomes. Therefore, the ERB is committed to optimising its mode of operation and ensuring that its training services remain up-to-date with market developments. Moreover, the ERB will continue to improve the professional standards of its trainers through training and assessment to ensure that they possess the necessary theoretical knowledge and

practical experience. The ERB will also seek to ensure that the trainers are able to use flexible teaching methods to deliver high-quality training to trainees, ultimately aiding them in achieving better career development and nurturing talents for society.

81. In addition, the ERB will explore the possibility of adopting other funding modes. This may include further study on exploring possible integration and coordination of the existing training resources from the Government (e.g. the Continuing Education Fund) and also study on the experiences of other funding modes, such as the training voucher system in neighboring countries or regions (e.g. Singapore). The objective is to integrate and better utilize local training resources for encouraging more local citizens to continue their learning.

### ***Views from stakeholders and the public***

82. Some stakeholders have expressed that many local industries are currently experiencing a shortage of manpower. The ERB should put its priority in enhancing training for local workers in these industries to support the industries. Some members of the business sector had noted that while the Government has implemented measures to import foreign workers, it is still essential to actively develop local talent in the long term to address the manpower shortage issue and promote the further growth of high value-added and advanced technology industries.
83. According to the findings of ERB's "Survey on the Training Needs of the Local Workforce in the Rapidly Changing Labour Market", stakeholders pointed out that the impact of new technologies is more evident in some industries, particularly those in environmental services, retail, catering, hospitality and tourism, property management, and health care. The survey results also reveal that 65% of the job seekers were interested in pursuing further training, with 55% wanting to take courses to earn "industry-related professional qualifications or skills", followed by "information technology skills" at 37%. Additionally, 46% of employees intend

to pursue further training, with 41% wishing to pursue courses in “industry-related professional qualifications or skills”, followed by “information technology skills” at 40%. In this connection, the stakeholders suggested that the ERB should strengthen its liaison and cooperation with employers, labour unions, trade associations, and training bodies to regularly review the skills needs of various industries and formulate coherent vocational training for them.

84. Meanwhile, some stakeholders had suggested that considering the evolving human resources needs within the society, trainers should engage in continuous learning to enhance their competitiveness and elevate the quality of their teaching.
85. There is no consensus among stakeholders on how to subsidise ERB courses. Some people supported the reimbursement model of Continuing Education Fund (CEF), allowing the public to choose their own training courses and providers. Others thought that the Government should invest more in training for high value-added industries. Some were hesitant about giving training vouchers to the public, arguing that this approach might be too market-oriented and that there might not be actual job openings for the “Future Skills” courses, making it difficult to implement. On the other hand, some believed that the most efficient way to develop the curriculum is through market mechanism. Some stakeholders had suggested that the ERB should consider adjusting the subsidy ratio for courses based on the trainees’ academic qualifications and the qualifications associated with the courses.
86. Based on the results of the above Survey, 18% of the respondents believed that offering free courses or providing sufficient allowance would increase public interest in enrolling in ERB courses. To promote continuous learning and skill upgrading for all, there existed rather controversial about the subsidy model. Most stakeholders did not support providing subsidies to trainees on a reimbursable basis, as they believed that prepayment of tuition fees would discourage the public from pursuing further studies. Some stakeholders suggested that vouchers could encourage the public to pursue further studies, but they also noted that this approach would



result in higher administrative costs, and therefore the ERB should carefully consider such option.

***Optimising the mode of operation***

87. As Hong Kong's society and economy continue to evolve, the labour force must continuously upgrade its skills and acquire new knowledge to adapt to changes in the working environment and seize new job opportunities. Equipping the labour force with emerging skills is crucial for enhancing socio-economic competitiveness. In response to the current situation and changes in Hong Kong, the ERB will enhance the quality of existing training courses and the trainers, and develop new courses to sustain the competitiveness of the local labour force.
88. The ERB will improve its mode of operation by reviewing and streamlining the appointment mechanism of training bodies and recruiting additional ones capable of offering suitable courses. The aim is to ensure the introduction of high-quality training resources to meet the diverse training needs of the local labour force. Additionally, the ERB will explore partnerships with international enterprises and professional bodies to provide industry-recognised qualifications, thus improving the recognition of training courses in the market and helping trainees acquire skills that directly align with their job requirements. Furthermore, the ERB will actively collaborate with local universities, large enterprises, technology companies, and professionals to enhance the quality of training through the partnership or collaboration of expertise from all parties involved and to enrich the contents of training courses to suit employees of varying educational backgrounds.
89. The ERB will consider implementing a quality assurance mechanism in a "dual-track" system so as to encourage more higher educational institutions to become ERB training bodies. Given that higher educational institutions generally have robust internal quality assurance policy and practice in place, the ERB may need to adopt a more flexible monitoring mechanism for these institutions.

Additionally, the ERB will continue to monitor the implementation of ERB courses and administration through performance audits to help these institutions understand ERB's training and service requirements so as to ensure the quality of training.

90. In order to enhance the teaching skills of trainers and the quality of ERB courses, the ERB regularly organise seminars and workshops for trainers and invite technical advisors to observe the delivery of training in classrooms. The ERB plans to provide more online teaching resources for trainers by phases. Trainers who complete the e-learning modules and pass the online assessment will be issued an e-certificate by the ERB. Such certification will become a pre-requisite for trainers to continue teaching ERB courses in the future. The ERB will also hold various training activities for staff and placement officers of training bodies in order to improve their quality of service.
91. In order to improve the teaching quality of trainers, the Practical Skills Training and Assessment Centre ("PSTAC") of ERB will consider conducting practical skills assessment for trainers of relevant courses. Only those trainers who pass the course and obtain an e-certificate issued by the ERB will be allowed to teach the relevant courses in the future. The PSTAC will also develop e-learning resources to give the trainers a more clearer understanding of the examination process and requirements. Additionally, the PSTAC will continue to offer on-site support and training services for trainers and trainees, through organizing technical exchange forums, training workshops, and experiential activities.

### ***Integrating training resources***

92. The Hong Kong Government is regularly conducting research studies to project from a macro view the future manpower supply and demand across different pillar industries in Hong Kong. Additionally, the VTC conducts regular manpower surveys across 24 major industries in Hong Kong to analyse their manpower needs. These efforts aim to assist the Government and industry stakeholders

in developing manpower and training plans. The ERB is regularly collecting such information from the Government, VTC, and human resources management-related organisations, and relevant overseas institutions for reference in its course development process.

93. At the same time, the ERB will also seek to collaborate with relevant government departments and human resources management-related organisations for exchange and sharing of employment related data and information. This will enable the ERB to better plan training places allocation and offer training courses that align more closely with the market demand. Additionally, the ERB will coordinate with relevant government departments to address the training needs of industries or sectors experiencing acute manpower shortage, aiming to alleviate it through targeted training initiatives.
94. Employer involvement is crucial for the success of training programmes. To achieve this, the ERB needs to form strong partnership with employers in various industries and to improve communication with labour unions, employers, trade associations, and professional bodies. Such partnership will allow the industry stakeholders to share the latest development direction of ERB, such as its new roles, capabilities, training and services, and at the same time allowing the ERB to obtain feedback from employers. Currently, the ERB has established 20 ICNs which are set up for better communication with specific industries. The ICNs are composed of representatives and professionals from different industries who will gather together to provide insights on employment prospects, skills requirements, and training needs of the specific industries. Their inputs greatly help the ERB in designing and developing courses to stay aligned with market changes.
95. In today's fast-paced development of the society with advanced technology, the ERB will utilise technology to enhance communication and collaboration with employers and enterprises. The ERB will also closely monitor technological developments and industry trends, working closely with trade associations, professional bodies, and experts to gather information of the latest occupational and skill standards, as well as the skills needs of

emerging industries. In addition to gathering industry feedback, the ERB will engage in discussions with professionals, such as technical advisors, to ensure that the training contents of ERB courses align with industry needs and enable trainees to acquire the latest skills and knowledge, providing them with better opportunities for career development.

96. When planning its courses and allocating training places, the ERB will carefully consider the availability of similar courses in the market and aim to minimise duplication with other local training resources, such as the CEF. This is to ensure more efficient use of local training resources. In the long run, the ERB will study in-depth the possibility of consolidating local training-related resources, including ERB courses and CEF courses.
97. The ERB will also explore the possibility of making use of other funding modes, such as the voucher system viz-a-viz the existing subsidy mechanism adopted by the ERB. The voucher system can offer more flexibility and choice, allowing trainees to select suitable training providers and courses based on their needs and interests. Meanwhile, the existing mechanism can allow training in designated industry areas and sectors will continue to have subsidies. In the event of co-existence of both systems, the ERB may then offer more diverse funding options while ensuring continuation of funding for key industry areas, thereby satisfying the different needs of training subsidies for different trainees.

## Chapter 5 Recommendations on the measures and the way forward

98. After reviewing the opinions from stakeholders and the general public regarding the strategic review of ERB, the Steering Committee recommended a series of measures and actions to take. Upon approval by the Government, the ERB will implement the recommendations by phases. Several short-term measures are recommended including adjustments to the service target and service scope, training strategies, and mode of operation which have been covered under the objectives of the strategic review.

### **Recommendations on short-term measures**

99. The ERB proposes the following short-term measures to optimise the training services provided for the local labour force:

#### ***Service Scope***

- (i) **Expanding the service target and service scope:** In the first quarter of 2025, the restriction on educational attainment for admission to ERB courses will be relaxed, and the service targets will be expanded to cover the entire local labour force aged 15 and above (including the unemployed, job-seekers and servicing employees). In response to the training demand after the expansion, the total number of training places for 2025-26 will be adjusted from 150,000 to 165,000; the number of training places for part-time skills upgrading courses will also be increased; and more advanced courses will be offered to cater for the highly educated clientele. In addition to promoting the expanded service scope, the ERB will also promote its re-positioning and new role in supporting lifelong learning for Hong Kong citizens.

#### ***Training strategies***

- (ii) **Adjusting training strategies and curriculum development:** to adopt a “skills-based” approach in offering more short-term, modular skills upgrading courses, particularly in emerging technologies; at the same time, promoting diverse learning modalities, establishing robust online learning resources, and introducing more blended learning courses that integrate online components; developing more courses of more advanced level, including those with awards of “micro-credentials”; proactively engaging leading enterprises/organisations, especially large-scale organisations and human resources related agencies, to identify current and emerging technological needs across industries, and sharing insights on local training trends, employment data, and other pertinent information to ensure that the content of training courses align with the training needs of the labour market and future job requirements; strengthening the careers guidance role of placement officers in careers planning, course consultation and employment support services.

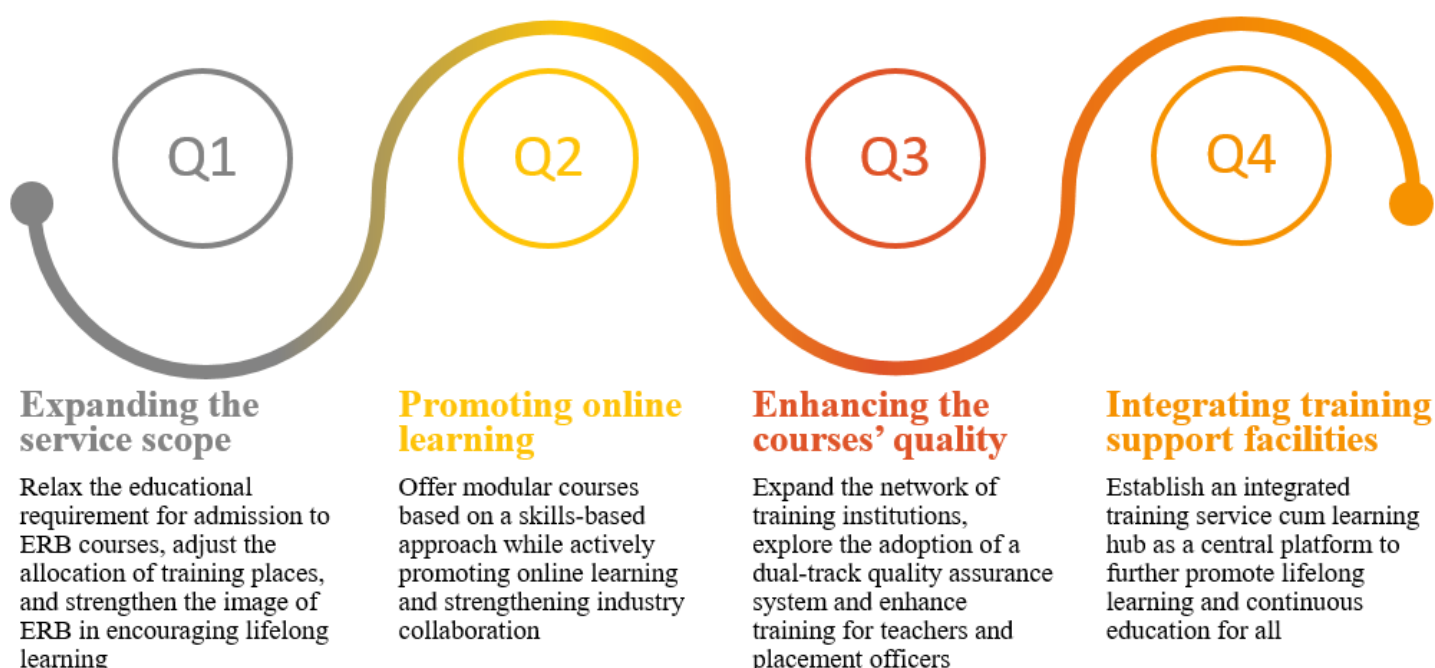
***Mode of operation***

- (iii) **Optimising the mode of operation:** to invite large-scale organisations, industry leaders and emerging enterprises to collaborate with ERB’s training bodies; to enrich the course development direction on skills training for trainees with diverse educational backgrounds and work experiences; to explore a “dual-track” quality assurance mechanism on “risk and performance based” principle, and to invite higher educational institutions and enterprises as training bodies/partners.
- (iv) **Enhancing trainers’ teaching skills and quality of courses:** to provide online resources for trainers, to improve their teaching and course management skills, and to elevate the overall quality of ERB’s training courses.

- (v) **Consolidating training support facilities:** to establish an integrated training service and learning centre as a hub to facilitate easy access by the public to skills enhancement services.

The timeline for the above-mentioned short-term measures to be implemented is shown in the figure below:

**Timeline of proposed short-term measures in 2025-26**



### **Adjustments to the organisation structure**

100. Based on the recommended timeline of the short-term measures proposed in this report, the organisation structure of ERB may need to be adjusted in an orderly manner to enhance the quality (capacity and training) and quantity (manpower) to effectively promote the key directions and implement the proposed measures. At the same time, ERB's Executive Office will continue to make good use of technology to optimise administrative procedures and services to enhance the overall effectiveness and efficiency of ERB.

### **Financial impact**

101. As of 31 March 2024, the balance of ERF is approximately \$13.5 billion. Based on ERB's budget deficit of approximately \$1.22 billion in 2024-25, it is estimated that the balance of the ERF at the end of 2024-25 will be approximately \$12.28 billion.
102. The budget for retraining courses in 2024-25 is approximately \$1.42 billion. The ERB plans to expand service targets to the entire labour force in 2025-26, with the total number of training places increased by at least 15,000 and the overall retraining course expenditure to be approximately \$1.61 billion. The expected increase in manpower and support services is based on short-term measures, which mainly involve considerations such as relaxing the educational requirements for admission, strengthening the provision of short-term skill-based courses, and promoting online learning. Furthermore, it is estimated that other expenses over the next two years will expect an annual increase of 10%. Consequently, the total expenditure budget for 2025-26 is anticipated to rise to approximately \$1.87 billion. The Government is encouraged to consider the ERB's long-term financial arrangements in the light of the medium- to long-term measures recommended for the next phase of the consultancy review and their financial implications.

### **Study on medium- to long-term initiatives**

103. In addition to the above-mentioned short-term measures, the Steering Committee also suggested that the ERB should take initiative to help the labour force equipping future skills in order to cope with Hong Kong's development. Relevant medium- to long-term initiatives may have impact on ERB's manpower allocation, directions, operational strategies, services, etc. The ERB should conduct in-depth research studies to set goals, clarify priorities, and formulate specific arrangements and timetables for the implementation of the recommended measures. If the proposed measures may require amendments to the Ordinance, more detailed



planning is necessary. Areas that require further study include but are not limited to:

- (i) uplifting of ERB's training and employment support services in line with its repositioning and expanded target group; renaming of the ERB to more accurately reflect its new role in continuing education and skills training, strengthening internal planning and research functions, developing an appropriate training framework based on Hong Kong's latest labour market and its development, and providing clear articulation pathways and skills based qualification recognition framework;
- (ii) exploring effective ways to identify new job roles and skills for emerging industries;
- (iii) further expansion of ERB's service scope to Hong Kong residents living in the Greater Bay Area, imported workers or foreign domestic helpers, and the associated financial impact;
- (iv) suggesting a simplified process for appointing training bodies;
- (v) improving ERB's current subsidy and tuition fee mechanisms, and exploring other funding models; and
- (vi) studying possible integration or collaboration with other government-funded training initiatives/programmes such as the Continuing Education Fund.

#### **Engaging consultant to conduct research study**

104. In light of the fact that the medium- to long-term improvement work will have a substantial impact on ERB's development, the Steering Committee recommended the appointment of an external consultant to conduct a comprehensive study and review. The consultancy study has to take into account the prevalent practices in other regions, the features of local labour force and the development of the Hong Kong economy. In addition, the Steering Committee recommended that the consultant(s) should be appointed within this

year and that the recommendations should be submitted to the Government by the end of 2025.

105. Once a suitable consultant is appointed, consideration must be given to ensure that the work requirements given to the consultant at the time of appointment cover all important aspects, including but not limited to those mentioned above in paragraph 103, and can be reasonably accomplished within a reasonable timeframe. Following approval by the Government, the ERB will establish a dedicated task force to oversee the preparatory work (including the scope of the study, the work requirements, the appointment contracts, the review of consultancy proposals, etc.) and to monitor the progress of the consultancy study.

## Chapter 6 Concluding Remarks

106. In the past, the ERB mainly assisted grassroots workers to learn new skills and re-enter the labour market. ERB's training service has been widely recognised and affirmed by the public, and its achievements are obvious to all. However, in the face of recent challenges such as the diversification of the Hong Kong's economy, the introduction of advanced technologies, the aging of the local labour force, and the popularisation of post-secondary education, the ERB must adopt a more forward-looking approach to review its overall operation in order to meet the needs of Hong Kong's social and economic development.
107. As the Chief Executive pointed out in the "2023 Policy Address", Hong Kong has the distinctive advantages of enjoying the strong support of the Motherland under "One Country, Two Systems" and being closely connected to the world. The ERB will actively align with the development strategy of the Motherland and implement forward-looking training strategies and measures. As a hub for local training, the ERB will reposition and adjust its services and training directions. On one hand, it will consolidate local pillar industries; on the other hand, it will actively promote the development of high-value-added industries. The ERB will provide high-quality local talent through cooperation with training institutions, enterprises and tertiary education sector.
108. In the coming year, the ERB will actively prepare to expand its service scope, establishing a wider network of training institutions and enterprises, strengthening its research capacity to master future skills, and building training and learning pathways to allow more local citizens to benefit from ERB's services. The ERB will also enhance its skills-based training courses and include elements of scientific and technological training in order to ensure that the course content closely follows industry development trends and that local talent is provided with more competitive vocational skills training. To meet trainees' individual learning needs, the ERB will strive to

promote diversified learning through online learning and provide them with more flexible and convenient mode of learning. Aside from this, the ERB will continue to optimise its operating model, improve the quality of training, and provide trainees with a better learning experience, demonstrating ERB's commitment to quality training.

109. The ERB will continue to provide excellent service to the community, improve support facilities, and create an ideal learning environment for trainees in the future. On the other hand, the ERB will continue to optimise its courses and innovative services to cultivate more outstanding talents, inject lasting impetus into Hong Kong's economic development, and facilitate Hong Kong's better integration into the national development goal of the Motherland.

**Composition of Steering Committee on Strategic Review**

The Steering Committee is chaired by ERB's Chairman, and its members include Vice-Chairman, convenors of all committees and representatives from the Government. The membership of the Steering Committee is as follows:

**Convenor**

Mr. YU Pang-chun, GBS, JP

**Member**

Professor Simon WONG Kit-lung, BBS, JP

Dr. Hon Johnny NG Kit-chong, MH, JP

Professor Chetwyn CHAN Che-hin

Ms. Margaret CHENG Wai-ching, JP

Mr. LI Wing-foo

Permanent Secretary for Labour and Welfare or her representatives

Commissioner for Labour or her representatives

**Secretary**

Senior Manager (Course Development)<sup>2</sup>

**Staff of ERB Executive Office**

Executive Director

Deputy Executive Director (Special Duties)

Deputy Executive Director (Training Services)

Deputy Executive Director (Quality Assurance)

Deputy Executive Director (Corporate Services)

Deputy Executive Director (Business Development and Communications)

Manager (Special Duties)

Manager (Research and Development)

Deputy Manager (Special Duties)

**Findings and Recommendations of the  
“Survey on the Training Needs of the Local Workforce  
in the Rapidly Changing Labour Market”**

**Background**

In recent years, the labour market and training needs are undergoing rapid changes. The crucial factors include: changing manpower and skills needs brought forth by diversification of industrial development, a shrinking workforce due to aging population and low fertility rate, the need of the highly educated segment of the workforce for continuing learning and upskilling of new skills etc.

2. In order to master the future skills required in various industries, and to know the views of ERB’s stakeholders on our scope of service, training strategy and mode of operation, the Executive Office has appointed a third party organisation to conduct the “Survey on the Training Needs of the Local Workforce in the Rapidly Changing Labour Market” as reference for ERB to review its future direction.

**Survey Design**

3. The research organisation conducted the data collection process in two parts within November 2023 and March 2024:

(i) Quantitative Study:

- Interviewed 1,014 Hong Kong residents aged 15-64 (excluding students and foreign domestic helpers) and 200 trainees aged 15-64 who had completed ERB training courses within July 2022 and June 2023.
- In addition, in order to have a thorough understanding of views of potential workforce (including homemakers, persons who have recently retired<sup>3</sup>, those young people who are neither in employment nor in education<sup>4</sup>). In case the number of respondents for various sub-groups within the potential workforce segment is less than 50, that sub-group has to add on more interviews through a special recruitment exercise. At last, 47 young people (in the sub-group of

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<sup>3</sup> Aged 50-64 and retired not more than 5 years

<sup>4</sup> Aged 15-29, not working at the point of interview, and have no intention to find job / further study in the next year (excluding homemakers).

those who are neither in employment nor in education) were recruited to be included in the interview.

- A total of 1,261 members of the public were successfully interviewed. In order to adjust the proportions of different groups, all data were weighted.

(ii) Qualitative Study:

- Focus Groups discussion (altogether 6 groups each comprising 6 to 10 interviewees): respondents included representatives from trade unions, ERB Industry Consultative Networks and ERB Training Bodies.
- One-on-one in-depth interview (56 interviews): respondents from employers, trade associations, professional bodies, welfare agencies, training / educational organisations (non-ERB) and human resources companies (providing both on-line and off-line recruitment services).

4. The research organisation collected information and data mainly on the following aspects:

- (a) The difficulties in manpower resources for different trades and industries;
- (b) The changing skills required by different trades and industries and the emerging vocational skills;
- (c) The difficulties faced by in-service employees and their inclination for further training;
- (d) The difficulties faced by job-seekers and their inclination for further training;
- (e) Potential workforce's intention to seek jobs and pursue further training;
- (f) ERB's scope of service to be reviewed;
- (g) ERB's training strategy to be reviewed; and
- (h) ERB's mode of operation to be reviewed.

## **Major Findings**

**(a) The difficulties in manpower resources for various trades and industries**

5. In Hong Kong, a number of industries encountered the problem of insufficient manpower resources, and stakeholders noted the following difficulties / impacts:

- (i) **Chronic shortage of manpower at the grassroots level:** With rising educational attainment in society, there is a growing reluctance to pursue blue-collar and service-oriented entry-level jobs, leading to a chronic shortage of manpower at the grassroots level. While few are willing to take on these grassroots roles, newcomers often lack the skills required for middle or higher management position. Consequently, many industries have faced a succession gap for years. Additionally, disparity in work values between the younger and older generations have made it challenging for enterprises to recruit and train young talent, thus further exacerbating this gap.
  - (ii) **Lack of progression pathways for skills training:** Lack of systematic and structured training for junior employees would impede skills development and industry recognition, ultimately hindering both individual upward mobility and overall growth of the industry.
  - (iii) **Training programmes / assessment systems not in line with reality:** Some training courses may become outdated and may not match the changes in the industry when launched due to delay in the vetting and approval procedures. Additionally, newcomers often face challenges in entering the industry due to excessive assessment requirements or outdated examination content that do not align with the current industry practices.
  - (iv) **Professionalism in some industries has reached a bottleneck:** Some technical industries are facing a bottleneck as there are few people willing to join these industries, thus hindering their upgrading.
- (b) **The changing skills required by various trades and industries and emerging vocational skills**

6. Over the past few years, Hong Kong has seen some commonalities in the skills development of various industries:

- (i) **Widened scope of work:** Due to chronic manpower shortage, employees are required to take up tasks from various job positions, thus demanding for their wider range of skills.
- (ii) **Increase in online services / activities:** As the market rapidly digitizes, with advancements in online publicity and shopping,



employees must acquire essential skills such as online sales and promotion, social media management, basic graphic design, and proficiency in using various web applications.

- (iii) **Use of new technologies / transformation of job nature:** The emergence of artificial intelligence has not only reduced the manpower need for jobs that can be automated, but it has also created new job opportunities driven by emerging technologies. Enterprises and their employees must adapt and embrace these changes, fostering a willingness to learn about new technologies. Building a complementary relationship with these advancements will be crucial for their future success.
- (iv) **Enhancement of professionalism, skills and knowledge:** Over time, some industries have faced manpower gaps due to shortage of labour. To bridge this gap, the skills, knowledge and professionalism must be enhanced and supported by professionals from the Mainland. On the other hand, some industries may need to offer positions to recruit staff with recognised or professional qualifications in order to attract and encourage talents to join.
- (v) **Increasing importance of soft skills:** In a people-oriented workplace, skills such as communication, emergency management, emotional intelligence, flexible thinking, occupational safety, and customer service are becoming increasingly important. These competencies which require judgment and human sense cannot be replaced by technology.

#### Impact of technological development on various industries

7. Some views have also been collected in this Survey regarding the impact of future skills on different industries. According to the stakeholders in the focus groups and in-depth interviews, future skills and emerging skills training are the most urgently needed at the moment, and they had also mentioned about the impact of technological advancements on the skills demand for employees in various industries (including environmental services, retails, food and beverage, hotel and tourism, property management, health care and nursing).

8. Overall speaking, stakeholders generally agreed that with the rapid advancement of technology nowadays, enterprises and employees need to transform, and that certain existing manpower needs have to be transformed to cope with the use of new technology. Manpower and technology are complimentary to each other and synergy can bring forth the greatest

effectiveness. While new technologies may replace the manpower requirements of some routine or mechanised jobs, they are unlikely to replace jobs that require judgement, creativity, physical dexterity and emotion.

9. Most stakeholders highlighted the emerging skills related to Artificial Intelligence (AI). The impact of AI across industries is profound. While AI offers significant benefits — such as time savings and alleviating manpower shortages — it also threatens to render certain job types obsolete. To remain competitive, employees must learn how to effectively leverage AI technologies. Stakeholders emphasized the importance of aligning skills training with technological advancements. Even those in junior positions need to acquire new technological skills to maintain their competitiveness and avoid obsolescence. It is necessary to introduce relevant training programmes for people in need of higher-end skills such as software development and programming, artificial intelligence, big data analysis, and so on, in order to assist enterprises and employees in successfully transforming their operations in accordance with market demand for continuous learning. To support this transition, companies should implement relevant training programs for those seeking continuing learning, ensuring they can successfully transform their skills in line with market needs.

**(c) The difficulties faced by in-service employees and their inclination for further training**

Difficulties faced by employed persons at work

10. About 35% of the employed respondents encountered difficulties at work. The major difficulties they encountered included “heavy workload / too busy” (11%) and “interpersonal relationship problems / difficulties in getting along with colleagues” (10%). In addition, about 4% of the employed respondents felt they are “lack of relevant professional qualifications / insufficient skills”, with computer technology-related skills being the most mentioned.

**Table 1: Difficulties faced by employed persons at work**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Encountered difficulties	35	38	36	32	29	34	39
<i>Heavy workload / Too busy</i>	11	9	13	9	7	11	14
<i>Interpersonal relationship problems / Difficulties in getting along with colleagues</i>	10	11	10	8	3 ↓	10	12
<i>Facing difficult customers</i>	7	5	6	9	8	7	6
<i>Poor working hours</i>	5	12 ↑	3	4	6	4	6
<i>Lack of relevant professional qualifications / Insufficient skills</i>	4	6	3	4	1	4	5
Did not encounter difficulties	65	62	64	68	71	66	61

Base: All employed respondents (n=846, excluding those who declined to answer or failed to provide a valid response)

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

### Employed persons' intention to pursue further training

11. Over 45% of the employed respondents planned to pursue further training to improve their skills. On the other hand, about 33% of those who have no plan to pursue further training mentioned “too busy at work” as the major reason, followed by “have sufficient qualifications / skills” (23%), “too old” (19%) and “need to take care of families” (16%).

12. Among those who need to take care of families, nearly 40% of them said they would pursue further training if an organisation provided care services for the elderly or children during school hours.

**Table 2: Employed persons' intention to pursue further training**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Planned to pursue further training	46	64↑	47	36↓	41	47	48

Base: All employed respondents (n=842, excluding those who declined to answer or failed to provide a valid response)

Remarks: Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

**Table 3: Reasons why employed persons have no plan to pursue further training**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Too busy at work	33	45	39	23↓	20↓	38	35
Have sufficient qualifications / skills	23	21	28	18	18	17	34↑
Too old	19	2↓	6↓	40↑	40↑	20	7↓
Need to take care of families	16	5↓	21	14	14	20	13
Preparing for retirement	14	-	3↓	31↑	25↑	16	5↓

Base: Employed respondents who have no plan to pursue further training (n=410, excluding those who declined to answer or failed to provide a valid response)

Remarks:

(1) Only answers mentioned by more respondents would be shown.

(2) Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

### Preferences for further training among employed persons

13. Among those employed respondents who intended to pursue further training, over 40% of them would like to study “industry-related professional qualifications or skills” courses, but their target industries are relatively scattered; followed by “computer technology skills” (40%) related courses, among which more respondents mentioned “computer word processing” (13%) and “software development / programming coding” (8%). On the other hand, over 30% of them would like to take courses related to “language skills”, with more of them mentioned “English communication skills” (19%) and “English writing skills” (14%).

**Table 4: Types of courses that employed persons would like to study**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Industry-related professional qualifications or skills	41	34	39	50	53	39	39
Computer technology skills	40	45	39	36	39	37	44
<i>Computer word processing</i>	13	11	14	13	15	16	9
<i>Software development / Programming coding</i>	8	11	8	7	5	7	10
<i>Artificial intelligence</i>	6	9	6	4	4	3	11
Language skills	32	35	36	22	25	36	31
<i>English communication skills</i>	19	23	20	12	20	22	14
<i>English writing skills</i>	14	15	16	8	6	16	14
<i>Putonghua communication skills</i>	6	3	7	6	3	6	7

Base: Employed respondents who intended to pursue further training (n=419, excluding those who declined to answer or failed to provide a valid response)

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Based on 95% confidence level, the data for each group are not significantly different from the total.

14. Among those employed respondents who intended to pursue further training, 58% of them would like to enrol in local tertiary institution courses, while 47% of them would like to enrol in ERB courses. Among those who have no plan to enrol in ERB courses, 37% of them "don't know what kind of courses ERB offers", followed by "ERB courses are too basic / low level of qualification" (15%) and "ERB does not offer courses they want to take" (13%).

**Table 5: Training institutions that employed persons would like to enrol in courses**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Local tertiary institution	58	77↑	60	37↓	31↓	55	72↑
Employees Retraining Board (ERB)	47	29↓	46	65↑	79↑	58↑	23↓
Oversea tertiary institution	13	16	15	5↓	-	15	15

Base: Employed respondents who intended to pursue further training (n=392, excluding those who declined to answer or failed to provide a valid response)

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

**Table 6: Reasons why employed persons have no plan to enrol in ERB courses**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below#	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Don't know what kind of courses ERB offers	37	39	38	31	51	36	37
ERB courses are too basic / low level of qualification	15	18	10	28	-	15	18
ERB does not offer courses they want to take	13	10	15	11	-	14	14
Had never heard of ERB	10	14	8	7	20	10	8
ERB courses are not sufficiently recognized	9	12	10	1	-	12	9

Base: Employed respondents who intended to pursue further training but have no plan to enrol in ERB courses (n=178, excluding those who declined to answer or failed to provide a valid response)

# The number of samples in this group is less than 30. The relevant data are only for reference and no significant test would be performed.

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Based on 95% confidence level, the data for each group are not significantly different from the total.

#### **(d) The difficulties faced by job-seekers and their inclination for further training**

## Difficulties faced by job-seekers in finding jobs

15. More than half of the job-seeking respondents encountered difficulties in finding jobs. The major difficulties they encountered included “insufficient academic qualifications” (21%), “lack of relevant professional qualifications / insufficient skills” (12%) and “Too old and not easy to find job” (12%).

**Table 7: Difficulties faced by job-seekers in finding jobs**

	Total	Age			Educational Attainment		
		15-29#	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above#
	%	%	%	%	%	%	%
Encountered difficulties	52	81	49	51	55	48	55
<i>Insufficient academic qualifications</i>	21	22	18	25	36 ↑	13	5
<i>Lack of relevant professional qualifications / Insufficient skills</i>	12	11	12	12	14	10	10
<i>Too old and not easy to find job</i>	12	-	4 ↓	22 ↑	14	9	12
<i>Lack of relevant work experience</i>	11	19	17	3	8	11	20
<i>Salary package is not attractive</i>	11	40	9	9	10	10	16
Did not encounter difficulties	41	19	44	41	40	44	35
Never found a job before	6	-	6	8	4	7	10

Base: All unemployed respondents who have intention to find job (n=224, excluding those who declined to answer or failed to provide a valid response)

# The number of samples in this group is less than 30. The relevant data are only for reference and no significant test would be performed.

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Due to rounding, the sum of percentages may not equal to 100%.
- (3) Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

## Job-seekers' intention to pursue further training

16. About 65% of job-seeking respondents planned to pursue further training to improve their skills. Among those who have no plan to pursue further training, 35% of them mentioned “have sufficient qualifications / skills”, followed by “financial problems / expensive tuition fee” (19%) and “need to take care of families” (17%).

**Table 8: Job-seekers' intention to pursue further training**

	Total	Age			Educational Attainment		
		15-29#	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above#
	%	%	%	%	%	%	%
Planned to pursue further training	65	39	64	70	80↑	62	33

Base: All unemployed respondents who have intention to find job (n=224, excluding those who declined to answer or failed to provide a valid response)

# The number of samples in this group is less than 30. The relevant data are only for reference and no significant test would be performed.

Remarks: Based on 95% confidence level, the data of this group is significantly higher (↑) than the total.

**Table 9: Reasons why job seekers have no plan to pursue further training**

	Total
	%
Have sufficient qualifications / skills	35
Financial problems / Expensive tuition fee	19
Need to take care of families	17
Too old that no one will hire you	9
No plan to pursue further training	8

Base: Job-seeking respondents who have no plan to pursue further training (n=64, excluding those who declined to answer or failed to provide a valid response)

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Due to small sample size, sub-group analysis would not be performed.

### Preferences for further training among job-seekers

17. Among those job-seeking respondents who intended to pursue further training, 55% of them would like to study “industry-related professional qualifications or skills” courses, among which more respondents mentioned “post-natal care” (10%) and “care worker / elderly care worker” (8%); followed by “computer technology skills” (37%) related courses, among which more respondents mentioned “computer word processing” (20%) and “software development / programming coding” (8%). On the other hand, 27% of them would like to take courses related to “language skills”, with more of them mentioned “English communication skills” (21%) and “English writing skills” (10%).



**Table 10: Types of courses that job-seekers would like to study**

	Total	Age			Educational Attainment		
		15-29#	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above#
	%	%	%	%	%	%	%
Industry-related professional qualifications or skills	55	35	47	66	58	58	21
<i>Post-natal care</i>	10	-	6	14	11	10	-
<i>Care worker / Elderly care worker</i>	8	-	5	11	6	9	15
<i>Cooking Chinese food</i>	6	-	3	10	10	3	-
Computer technology skills	37	25	36	40	32	40	59
<i>Computer word processing</i>	20	18	16	24	20	20	15
<i>Software development / Programming coding</i>	8	-	11	5	4	12	15
<i>Computer technology skills (unspecified)</i>	8	7	6	10	8	7	15
Language skills	27	56	32	20	32	23	20
<i>English communication skills</i>	21	34	27	13	24	18	15
<i>English writing skills</i>	10	56	14	4	11	8	20
<i>Putonghua communication skills</i>	9	10	11	6	10	8	-

Base: Job-seeking respondents who intended to pursue further training (n=158, excluding those who declined to answer or failed to provide a valid response)

# The number of samples in this group is less than 30. The relevant data are only for reference and no significant test would be performed.

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Based on 95% confidence level, the data for each group are not significantly different from the total.

18. Among those Job-seeking respondents who intended to pursue further training, over 80% of them would like to enrol in ERB courses, while 33% of them would like to enrol in courses offered by local tertiary institutions.

**Table 11: Training institutions that job-seekers would like to enrol in courses**

	Total	Age			Educational Attainment		
		15-29#	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above#
	%	%	%	%	%	%	%
Employees Retraining Board (ERB)	81	46	74	92	86	80	56
Local tertiary institution	33	83	44	17	27	32	79

Base: Job-seeking respondents who intended to pursue further training (n=149, excluding those who declined to answer or failed to provide a valid response)

# The number of samples in this group is less than 30. The relevant data are only for reference and no significant test would be performed.

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Based on 95% confidence level, the data for each group are not significantly different from the total.

### **(e) Potential workforce's intention to seek Jobs and pursue further training**

#### Homemakers

19. Among the 148 homemaker respondents, nearly 30% of them said they would look for a job within next year (31%) or several years (27%) respectively. Among them, homemakers aged 30-49 were more inclined to work and more of them would look for a job within next year (36%) or several years (41%) respectively. However, most of them would only look for part-time jobs since they need to take care of families.

20. When those respondents who have no intention of finding a job in next year were asked what kind of incentive would enhance their motivation to enter into employment, 53% of them replied that they had no intention to work at all. The rest replied “good salary and benefits” (14%), “provide child care services” (13%) and “flexible working hours” (13%).

21. About 70% of job-seeking respondents planned to pursue further training to improve their skills. However, for those who have no intention to find job, only around 30% of them are interested in pursuing further training.

#### Persons who have recently retired

22. Among the 71 respondents who have recently retired, their major reasons of retirement were “reached the company's retirement age” (44%), “health

problems that could not continue to work” (18%), “company layoffs / bankruptcy” (13%) and “too old to find a job” (11%). Their employment aspirations are not high, with only 19% and 3% said they would look for a job within next year or several years respectively. However, most of them would only look for part-time jobs since the working hours of part-time jobs are more flexible.

23. For those respondents who have no intention of finding a job within next year, they were asked what kind of incentive would enhance their motivation to re-enter the employment market, 61% of them replied that they had no intention to work at all. The rest replied “good salary and benefits” (12%), “stress-free work” (6%) and “provide employment follow-up services” (6%).

24. About 64% of job-seeking respondents planned to pursue further training to improve their skills. However, for those who have no intention to find jobs, only 35% of them are interested in pursuing further training.

#### Young people who are neither in employment nor in education

25. Among the 50 young respondents who are neither in employment nor in education and had no intention to find a job / further study within next year, only one of them indicating that he / she would find part-time job within a few years. Their major reasons for not finding a job included “no financial burden” (38%), “do not know what kind of job is suitable for them” (28%), “plan to travel” (15%) and “cannot withstand work stress” (15%).

26. When those young respondents were asked how to enhance their motivation to enter into employment, 36% of them replied that they had no intention to work at all. The rest replied “good salary and benefits” (28%), “home office” (27%) and “flexible working hours” (15%).

27. Only 9% of the young respondents who are neither in employment nor in education planned to pursue further training to improve their skills. For those not intended to pursue further training, their major reasons included “no intention to find job” (38%), “financial problems / expensive tuition fee” (25%), “feeling stressed in attending classes / doing homework / attending exams” (16%) and “do not know what kind of job they want to do” (15%).

#### **(f) ERB’s scope of service to be reviewed**

##### Service target

28. Nowadays, due to the popularity of university education, some university graduates may not be highly competitive in the workplace. With the

advancement of science and technology and the global development, our society needs more advanced and innovative vocational skills. As a result, majority of our stakeholders believed that the restriction on academic qualifications of ERB's service targets should be released to bachelor's degree holders, but priority should still be given to those with low educational levels. Other than academic qualifications, with the relaxation of the Government's policy on importation of workers, most stakeholders believed that the service target should be extended to non-local people, but in principle priority of admission should be given to local one first.

29. For the part of the survey dealing with the respondents from the general public, 73% of respondents agreed that the ERB service targets should include university graduates. Among those who disagreed, three-quarters (75%) of them commented that "university graduates have sufficient academic qualifications". Other reasons for disagreement included "reducing others' opportunities to enrol in ERB courses" (20%), "resources should be reserved for those other than university graduates" (17%) and "university graduates can enrol in courses offered by other institutions" (17%).

**Table 12 : Whether agree or not ERB service targets should include university graduates**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Agree	73	83 ↑	76	65 ↓	67	66 ↓	86 ↑
Disagree	23	15 ↓	21	27	26	29 ↑	11 ↓
Don't know / No comment	5	2	3	8 ↑	7	5	3

Base: All respondents (n=1,261)

Remarks:

- (1) Due to rounding, the sum of percentages may not equal to 100%.
- (2) Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

**Table 13 : Reasons for disagreeing ERB to include university graduates as service targets**

	Total	Age			Educational Attainment		
		15-29#	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
University graduates have sufficient academic qualifications	75	68	71	80	83	75	64
Reducing others' opportunities to enrol in ERB courses	20	18	21	19	17	22	17
Resources should be reserved for those other than university graduates	17	16	17	17	15	18	16
University graduates can enrol in courses offered by other institutions	17	11	18	17	10	17	25
Waste public money	7	-	6	9	6	6	8

Base: Respondents who disagreed to include university graduates as ERB service target (n=291, excluding those who declined to answer or failed to provide a valid response)

# The number of samples in this group is less than 30. The relevant data are only for reference and no significant test would be performed.

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Based on 95% confidence level, the data for each group are not significantly different from the total.

### Service mode

30. In terms of service mode, stakeholders suggested ERB :

- (i) To strengthen pre-employment education by providing seminars on different industries in schools so that young people can understand the real working conditions, and they can have reasonable expectations about working hours and salaries, and reduce the gap between reality and imagination.
- (ii) There should be content in the training courses to enhance industry image, so as to increase the recognition and professionalism of the industry. Training courses can be linked to the Qualifications Framework (QF) to enhance the professionalism of the industry.
- (iii) To strengthen the support to small and medium-sized enterprises (SMEs), such as providing subsidies, providing on-site training services, tailor-made courses, employer training, etc.
- (iv) To strengthen job referral / matching service and to act as a platform for those employers and trainees involved in the training courses.

- (v) To take initiative to strengthen the close liaison with employers / chambers of commerce, proactively liaise with SME associations to understand their training needs, and play a co-ordinating role in liaising with other companies to keep track of the development of the industry.

**(g) ERB's training strategy to be reviewed**

Skill-based training

31. The majority of stakeholders considered that skill-based training would be suitable for Skills Upgrading courses, but not necessarily for placement-tied courses or certain job types. Therefore, job-based and skill-based courses need to co-exist. Some stakeholders believed that skill-based training approach could help employees improve their professionalism in the industry gradually, and might be more geared to the tendency of young people to prefer mastering a variety of skills. Some stakeholders believed that skill-based training is similar to the existing Skills Upgrading courses by nature, and could be achieved by just relaxing the admission criteria

Offering higher qualification courses

32. About half of the stakeholders agreed that ERB should offer courses at higher levels of qualifications as this could provide a ladder for progression of their skills. The other half of the stakeholders objected, mainly because they believed that the role and positioning of the ERB might overlap with other tertiary institutions. Some stakeholders believed that employers would focus on the recognition by the industry. Skills and qualifications should not be linked together. The focus should be placed on skills enhancement rather than academic qualifications. In the public survey, 86% of the respondents agreed that the ERB should offer more courses at higher qualification levels.

**Table 14 : Whether agreeing or not ERB to offer more courses with higher qualification levels**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Agree	86	93 ↑	89	81 ↓	87	85	88
Disagree	10	7	8	13	7	12	9
Don't know / No comment	4	* ↓	3	6 ↑	6	3	3

Base: All respondents (n=1,261)

\* Less than 0.5%

Remarks:

(1) Due to rounding, the sum of percentages may not equal to 100%.

- (2) Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

### Study mode

33. The majority of stakeholders were of the view that face-to-face teaching should be the mainstream, and that online teaching should only be suitable for theoretical courses or for younger audience. In addition, the majority of stakeholders believed that a hybrid model, with face-to-face teaching as the leading mode and online self-learning as the supplement, should be used to cater more flexibly to the needs of different target groups.

34. In the public survey part, when asked about the mode of learning they would like to use, 83% of the respondents chose “face-to-face classes”, followed by “apprenticeship” (63%), “online learning - attending classes on a scheduled basis through an online platform (e.g., Zoom) with a trainer” (61%) and “online learning - self-paced browsing of online materials provided by training institutions on an online platform” (55%).

**Table 15 : Learning mode preference**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Face-to-face classes	83	75 ↓	81	87 ↑	88	82	80
Apprenticeship	63	68	64	61	66	66	58
Online learning - Attending classes on a scheduled basis through an online platform (e.g., Zoom) with a trainer	61	79 ↑	68 ↑	47 ↓	47 ↓	60	73 ↑
Online learning - Self-paced browsing of online materials provided by training institutions on an online platform	55	74 ↑	57	45 ↓	44 ↓	52	65 ↑

Base: All respondents (n=1,261)

Remarks: Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

35. Most stakeholders advised that it is more appropriate to keep placement-tied courses on a full-time mode basis, because unemployed people will intend to complete the training and get a job as soon as possible, so it should be better to complete the course in the shortest time period; however, some stakeholders believed that adding half-day placement-tied courses would be more flexible.

## Approach to raise the intention of enrolling in ERB courses

36. In the public survey part, 85% of respondents had heard of ERB. Besides, 13% of them had attended ERB courses. Among those respondents who were not interested in taking ERB courses, 18% of them replied that “free courses / providing adequate allowances” would raise their intention to enrol, followed by “increase the number of courses” (9%) and “increase publicity at different levels” (8%).

**Table 16 : Awareness of ERB**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Had heard of ERB	85	80	87	84	76↓	87	88
<i>Had attended ERB courses</i>	13	3↓	10	20↑	21↑	15	4↓
<i>Had never attended ERB courses</i>	72	77	77↑	64↓	55↓	72	84↑
Had never heard of ERB	15	20	13	16	24↑	13	12

Base: All respondents (n=1,261)

Remarks: Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

**Table 17 : Approach to raise intention of enrolling in ERB courses**

	Total	Age			Educational Attainment		
		15-29	30-49	50-64	Lower secondary or below	Upper secondary to sub-degree	Degree or above
	%	%	%	%	%	%	%
Free courses / providing adequate allowances	18	30↑	18	13	13	21	16
Increase number of courses	9	14	10	6	2↓	10	12
Increase publicity at different levels	8	21↑	11	1↓	1↓	5	16↑
Provide more time options for classes	6	5	8	4	4	6	6
Enhance the recognition of courses	5	10	7	1↓	1	5	8
Never consider further training / enrollment for ERB courses	9	*↓	9	11	15↑	8	6
Don't know / No comment	44	22↓	37	59↑	60↑	44	35↓



Base: Respondents who were not interested in taking ERB courses (n=596, excluding those who declined to answer or failed to provide a valid response)

\* Less than 0.5%

Remarks:

- (1) Only answers mentioned by more respondents would be shown.
- (2) Based on 95% confidence level, the data of this group are significantly higher (↑) or lower (↓) than the total.

## **(h) ERB's mode of operation to be reviewed**

### Role and positioning

37. Most stakeholders commented that ERB had to become the leader in skills training:

- (i) Strengthen cooperation with employers / chambers of commerce, trade unions and training bodies. For instance, hold regular meetings to discuss the need for courses, learn about the skill needs of various industries in a timely manner, and develop coherent vocational training for various industries in Hong Kong.
- (ii) Avoid duplication of training scope and role with universities / post-secondary institutions
- (iii) Provide more assistance in job matching and follow-up services and strengthen the role of intermediary between employers and trainees. As mentioned before, the job referral / matching services for employers and trainees related to training courses should be strengthened.

### Provision of classrooms / teaching equipment

38. Most stakeholders agreed that ERB should provide more professional or high-end teaching equipment so that trainees could have the opportunity to try it out in class, whilst also reducing the risk for training bodies to launch new courses requiring such equipment. Moreover, it would be more consistent and beneficial for trainees to receive the same training system in terms of the learning process and learning outcomes. However, some stakeholders believed that training bodies should take on their own responsibilities, so that ERB would be able to allocate its resources more flexibly and cost-effectively.

### Mode for providing training allowance

39. Most stakeholders did not favour the reimbursement mode of subsidies to trainees, considering that there would be no incentive for the ERB's service target to pay the training fees upfront given their financial position. On the other hand, they commented that training vouchers might be useful for trainees to pay training

fees, and thus might encourage continuous learning and improvement of skills; however, it should be cautioned that the administrative fees might be very high. Furthermore, stakeholders also advised that ERB might continue to provide training subsidies to trainees, but with conditions or by stages, so as to avoid wasting resources.

#### Appointment of training bodies / instructors

40. Some stakeholders hoped that ERB would review the assessment criteria for appointing its training bodies, and remove the criteria of passing the "initial evaluation " requirement of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, so that more experienced and professional organisations in the industry can participate in the provision of training courses. On the other hand, many stakeholders also commented that the current requirement for recruitment of instructors were too focused on academic qualifications and their practical skills were not as good as those experienced practitioners who were at master level in the industry. As a result, the professional standard of the courses would somehow fall short of the one required by the industry.

#### Procedures in course vetting

41. Most stakeholders commented that the administrative procedures for course vetting and approval were too cumbersome. Not only training bodies found it difficult to obtain approval, but also the commencement of courses was also not timely enough. Therefore, the stakeholders expected ERB to simplify its administrative procedures in course vetting and approval, to reduce its administrative costs and to speed up the commencement of courses.

### Summary of the Overall Recommendations of the Survey

- ***Service Target***

42. Majority of the respondents from the general public agreed that the service target of ERB should include university graduates and should offer courses at more advanced levels; only a small portion of respondents opined that university graduates were qualified enough and no need for ERB service. In addition, some respondents also pointed out that due to the popularization of university education, some university graduates might not be very competitive in the labour market. Owing to technological advancement and development of the society, the society needs higher level and brand new vocational skills. Therefore, it is suggested that ERB should expand its service target to include

university graduates, but in case the number of training places is limited, then priority should be given to those with low level of qualifications.

- ***Role, Positioning and Training Strategy***

43. Most respondents believed that ERB should take a leading role in skills training and served as the middleman between employers and employees, but should avoid overlapping the roles and scope of service of universities/post-secondary institutions. Therefore, it is suggested that ERB should strengthen the liaison and cooperation with employers, trade unions, trade associations and training bodies, through regular meetings to discuss the changing needs of the courses, to understand the skills required by different industries and to formulate an integrated approach for vocational training. In addition, ERB may strengthen its assistance to SMEs in staff training, such as providing allowances / subsidies, on-site training service, tailor-made courses, training for employers etc. On the other hand, ERB should strengthen its assistance for employers and trainees in job-referral and job-matching services.

44. Also, in view of the uplifting of education level in the society and technology development, ERB should offer more courses at higher qualification levels and courses on new skills. ERB should also offer courses that are skills-based, with the objective of matching the trend of acquiring multi-skills on top of one core skill. Besides, ERB had to map out the progression pathway for skills training.

- ***Enhance Promotion: raise the motivation for training for the whole population***

45. According to part of the survey findings of respondents from the general public, “free courses / providing adequate allowances” is the most popular answer for increasing the motivation to take on retraining courses. Apart from the provision of allowances, ERB might consider offering more choices of courses and providing greater promotional efforts in order to let different target groups to know what are the choices in ERB courses and that ERB would assist them to find jobs after retraining. Moreover, some respondents from stakeholder groups pointed out that whether employers or employees were not too aware of the information on ERB courses. If they could access to more information on ERB, they could make an informed choice to take on retraining or otherwise, and they might even alter their views on ERB. At the same time, ERB might enhance the promotion of its skills upgrading courses and encourage the whole population to continue training and skills upgrading.

- ***Mode of Operation: Simply Vetting Mechanism***

46. ERB should simplify its procedures on course vetting and to speed up the approval process so that the courses could be timely offered to the market. ERB might also consider adjusting the principles for appointing training bodies and should not be confined to those organisations which could go through the “initial evaluation” process of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, so that more organisations with professional expertise within the trade/industry could take part in training. After all, these organisations could provide experienced trade masters as trainers / instructors to make the training more practical and suitable for the industry needs.