

**Business Facilitation Advisory Committee
Food Business and Related Services Task Force**

Phase 3 of the Love Upgrading Special Scheme

Purpose

This paper briefs members on the Love Upgrading Special Scheme (the Scheme) launched by the Employees Retraining Board (ERB).

Background

2. To tie in with the Government's measures to support enterprises and safeguard jobs, ERB launched Phase 1 and Phase 2 of the Scheme in October 2019 and July 2020 respectively, aiming at supporting the unemployed or underemployed in skills upgrading, with a view to enhancing their competitiveness and flexibility in facing the rapidly changing labour market. To increase the attractiveness of the Scheme, ERB has raised the maximum amount of monthly allowance per trainee through legislative amendment, from \$4,000 to \$5,800 with effect from 25 May 2020.

3. The Chief Executive announced in the 2020 Policy Address on 25 November 2020 to further enhance the retraining support to employees affected by economic downturn. Immediately upon completion of Phase 2 of the Scheme, ERB launched Phase 3 of the Scheme in January 2021 for 6 months, with an aim to serve more people in need to attend training for skills upgrading and obtaining allowance upon completion of training.

Progress Update on the Implementation of Phase 1 and Phase 2 of the Scheme

4. The objective of the Scheme is to offer each trainee with an integrated skills enhancement training of around two to three months in various aspects under the categories of "Vocational Skills", "Innovation and Technology" and "Generic Skills". Courses are offered in both full-time mode (for placement-tied vocational skills courses) and part-time mode (for skills upgrading and generic skills courses). Under the Scheme, all courses are free of charge, and there is no restriction on educational attainment of trainees. Each trainee may enrol up to four training courses with no more than two full-time Vocational Skills courses. Trainees who have completed a course with attendance rate of 80% will be disbursed special allowances. Trainees will be awarded graduation certificates upon completion of training and fulfilment of

graduation requirements. Training Bodies will also provide placement follow-up service to trainees who have attained 80% attendance rate in full-time Vocational Skills courses.

5. By the end of application period of Phase 2 of the Scheme on 31 December 2020, over 75 000 applicants participated in two phases of the Scheme, and over 46 000 trainees have been admitted into classes, of whom around 33 000 trainees have completed courses under the Scheme. The figures revealed that the Scheme was well received by the public. With around 80% of applicants applying for full-time Vocational Skills courses, it indicated that most of the applicants were unemployed looking forward to mastering new vocational skills of various industries to pave the way for re-entering the labour market.

Details of Phase 3 of the Scheme

Eligibility for and Restriction on Enrolment

6. Phase 3 of the Scheme has been launched on 1 January 2021. There is no restriction on industry background or educational attainment of participants, but they must be lawfully employable in Hong Kong, and meet the entry requirements of individual courses. Applicants are required to sign and declare on course applications that, on or after 1 June 2019, they :

- (i) have become unemployed or non-engaged¹; or
- (ii) have become underemployed²; or
- (iii) are required by employers to take no-pay leave³.

“Enterprise-based Training” for Associations or Corporations

7. The Scheme encourages trade associations or individual employers to arrange free enterprise-based training⁴ for their employees who meet the requirements in item (ii) or (iii) of the preceding paragraph, with a view to making good use of spare time of

¹ From being employed / self-employed to unemployed; or become non-engaged (fail to engage in employment after finishing study or graduation).

² The amount of work / working hours / income from employment or self-employment in the month of course application is 80% or less than that in any one of the previous three months.

³ Taking leave without pay for at least four days per month in any one month at employer’s request.

⁴ To support corporations in arranging training for their workers to upgrade skills and to enhance competitiveness of the corporations at large, ERB accepts applications of Training Bodies to, by making use of their approved training places, provide enterprise-based non-placement-tied courses for individual employers / trade associations. Under the arrangement of enterprise-based training, employers / trade associations are originally required to settle the payable course fees for the participating employees depending on their income levels. Since the courses under the Scheme are free-of-charge, employers are thus not required to make any payment.

employees to enhance their skills and competitiveness through training. As in Phase 2 of the Scheme, each association or employer may apply for up to 3 classes, and the industry category of the Vocational Skills courses applied are expected to be the same as the industry in which the employees are working (for example, employers may arrange employees of their restaurants to take training courses of the catering industry). On the other hand, there is no restriction on industry categories for cross-sector generic skills courses.

Combination of Training Courses

8. The choices of training courses are further expanded in Phase 3 of the Scheme, offering around 450 Vocational Skills, Innovation and Technology as well as Generic Skills courses straddling 28 industries; half of which can be conducted via online learning mode, and ERB is encouraging Training Bodies to deliver more courses in a hybrid mode of classroom training and online learning. In addition, over 100 dedicated courses are offered to various special service targets including young people, ethnic minorities, persons with disabilities and persons recovered from work injuries, as well as new arrivals.

9. Participants can enrol up to a total of four training courses (including “Enterprise-based Training” courses arranged by employers), with no more than two full-time Vocational Skills courses, in three phases of the Scheme.

Special Allowance

10. As in Phase 2 of the Scheme, the amount of special allowance for full-time course is \$223 per day, and that for half-day or evening courses is \$111.5 per day, irrespective of the age or educational attainment of trainees. The maximum amount of allowance payable monthly to a trainee is \$5,800.

Special Temporary Measure for Disbursement of Special Allowance

11. Owing to the pandemic and the tightened preventive measures by the Government, ERB suspended classroom training for several times. In view of the stringent economic situation, trainees look for jobs proactively whilst undergoing training. However, the trainees may need to forgo training after securing employment. As such, the current requirement of 80% attendance rate for disbursement of special allowance and imposition of penalty of enrolment restriction for low attendance may discourage trainees from receiving training. ERB thus introduced a temporary measure for Phase 3 of the Scheme (i.e. January to September 2021) by lowering the attendance rate requirement from 80% to 60% for disbursing the special allowance and

imposing the penalty on low attendance. Nevertheless, in order to uphold the training quality and to ensure better utilisation of training resource, the trainees are still required to meet the standard attendance rate requirement of respective courses (80% in general) before they are eligible to sit for course-end assessments and be awarded graduation certificates upon passing of the assessments. Trainees of full time Vocational Skills courses under the Scheme will also have to attain 80% attendance rate before they are provided with placement follow-up service by Training Bodies.

Anticipated Participation

12. ERB expects to support around 20 000 trainees to receive training in Phase 3 of the Scheme, doubling the 10 000 trainees planned under Phase 2. Since each trainee may enrol up to four training courses, subject to the number of course enrolment of each trainee, the number of training places involved in Phase 3 of the Scheme may reach 80 000.

Implementation Schedule

13. Interested applicants may apply for Phase 3 of the Scheme from 1 January to 30 June 2021, and attend classes on or before 30 September 2021.

Preparation for Phase 4 of the Scheme

14. On 24 February 2021, the Financial Secretary announced in “The 2021-22 Budget” to invite ERB to launch Phase 4 of the Scheme in July 2021 for 6 months, benefiting 20 000 people. ERB will soon kick-start the preparation for Phase 4 of the Scheme, including expansion of the course choices under the Scheme, and offering more online courses, thereby facilitating trainees in receiving training while preventing infection of the pandemic.

Way Forward

15. Members are invited to note the contents of this paper.

Employees Retraining Board
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