28 December 2016

Professor Ceajer Chan Ka-keung, GBS, JP
Acting Financial Secretary
Office of the Financial Secretary
The Government of Hong Kong Special Administrative Region
25/F, Central Government Offices
2 Tim Mei Avenue
Admiralty, Hong Kong

HKIHRM's Views on Hong Kong Employment and Human Capital Issues for 2017 Policy Address and the 2017/2018 Budget

Dear Professor Chan,

I am writing to follow up on your invitation to the consultation session in regard to the 2017 Policy Address and the 2017/2018 Budget that took place on 1 December 2016.

Ms Alice Wong, Vice President of Hong Kong Institute of Human Resource Management ("HKIHRM") was delighted to represent HKIHRM to attend the consultation session and reflected the views of our members and HR professionals on the city's imminent manpower and employment-related issues. I would like to take this opportunity to reiterate the Institute's viewpoints for your kind consideration.

For Hong Kong as a whole to embrace its challenges as to sustainable development and to address structural changes resulting from an ageing population, the Government should take bold efforts to upskill the current workforce by formulating appropriate and conducive policies as follows:

- 1. Providing financial support to the working population to pursue life-long learning, particularly in areas commensurate with Hong Kong economic development;
- 2. Flexibly including degree holders in the training web of the Employees Retraining Board so as to meet continuing professional development requirements or to enable them to switch to another profession;

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3. Injecting funds into the Continuing Education Fund and reviewing the personal reimbursement limit of HK\$10,000 and the coverage of courses; and

4. Carrying out surveys on skill gaps in various industries and economic sectors, and using the findings to fine-tune manpower strategies to better meet the city's socioeconomic needs.

Equally important is to devise policies to unleash Hong Kong's potential human capital such as women and the "young-old" to provide invaluable sources of manpower to meet market needs. This can be achieved by:

- 1. Formulating business-friendly measures to hire talent globally to meet the domestic needs of Hong Kong, while maintaining Hong Kong's edge as a business hub where multinational companies continue to set up their regional headquarters;
- 2. Providing financial incentives to businesses participating in "first hire then train" schemes to enhance the attractiveness of employment;
- 3. Reviewing the Comprehensive Social Security Assistance ("CSSA") by allowing scheme dependents to keep more earnings from employment; and
- 4. Providing more rigorous support for the employment of people from underprivileged groups in society such as the disabled and ethnic minorities by making available to them professional advice and assistance in matters relating to job placement and on-the-job training.

On the advocacy front, the Institute has made written submissions to the Government on employment-related issues including the MPF offsetting arrangement, minimum wage review and standard working hours. The HR profession, at the forefront in handling employment-related and human capital development issues, is ready to offer to the Government with practical and useful insights. We will continue to be vocal about our members' views and concerns on the above-mentioned and other issues in the year to come.

Yours sincerely,

David Li President

Hong Kong Institute of Human Resource Management