

**For discussion
on 30 March 2010**

**Legislative Council
Panel on Development**

Budget-related initiatives of Development Bureau

INTRODUCTION

The Financial Secretary (FS) delivered the speech on the 2010-11 Budget on 24 February 2010. This paper elaborates on those budget-related initiatives under the Development Bureau (DEVB) and seeks Members' support for a proposed \$100 million commitment to invest in construction manpower.

THE 2010-11 BUDGET

2. The initiatives of DEVB will mainly contribute to the areas of "The Risk of Asset-Price Bubbles", "Investing in Infrastructure", "Promoting Building Maintenance" and "Redeveloping Old Areas". An extract of the initiatives under DEVB as contained in the Budget Speech is at **Annex A**. Major items are highlighted in the paragraphs below.

(A) Overall Infrastructure Programme

3. In 2010-11, the Government will continue to invest heavily in infrastructure to promote economic development, create employment opportunities and enhance the long-term competitiveness of Hong Kong. In the past years, we have been pressing ahead with the construction projects of various scales, including the ten major infrastructure projects (the Ten Major Projects) and other projects ranging from major to minor scales.

4. The Ten Major Projects which have commenced construction include Kai Tak Development, Hong Kong-Zhuhai-Macao Bridge and Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link. As for other major projects, the construction of the Central-Wan Chai Bypass and Wan Chai Development Phase 2, Harbour Area Treatment Scheme, stage 2A and various campus improvement projects for the new “3+3+4” academic structure such as the Centennial Campus Phase I of the University of Hong Kong have also commenced.

5. With the various major projects coming on stream, the estimated capital works expenditure will be increased from \$45.1 billion in 2009-10 to \$49.6 billion in 2010-11. The \$49.6 billion expenditure is estimated to sustain 62,500 full year jobs in the construction industry, comprising 6,600 job opportunities for professional/ technical staff and 55,900 job opportunities for workers. In addition, the allocation in 2010-11 for minor works which is generally more labour intensive is \$8.53 billion. A chart showing the overall Government expenditure on capital works programme from 2001-02 to 2010-11 is at **Annex B**.

6. Our effort to press ahead with infrastructure development has been paying off as reflected in substantial improvement in the employment situation of the construction sector. The overall unemployment rate for this sector has dropped from the peak of 12.7% (February to April 2009) since the financial tsunami to the latest figure of 7.3% (December 2009 to February 2010) whilst the number of employed person has increased from 257,300 to 275,800 within the same period, representing a 7.2% increment.

(B) Investing in Construction Manpower

7. In anticipation of the large number of public works projects coming on stream in the coming years, the Construction Industry Council (CIC) has conducted a manpower study to estimate the construction manpower demand at the technical/ supervisory and worker level whereas DEVB has conducted a manpower study on professional manpower. The findings of the study on the technical/ supervisory and workers level reveal that the local construction industry is facing an acute ageing problem and possible skills mismatch in individual trades whereas the

8. In order to tackle the manpower challenges at the technical/supervisory and worker level, \$100 million has been earmarked in the 2010-11 Budget to support the CIC to strengthen the training and retraining of the local construction personnel, to enhance the skills and competitiveness of in-service construction workers and to attract more people to join the construction industry through promotion and publicity activities. Furthermore, the Government will, together with the construction industry, take the lead to improve the practice of the construction industry by introducing best practices in public works projects to further enhance the safety, working environment and conditions in construction sites. We believe that these measures can help attract fresh blood to the industry and meet the manpower needs of future construction projects.

(i) Measures to enhance training and re-training of construction personnel

9. Over the years, CIC has been building up the capacity and acquired valuable experience in developing construction manpower resources for supervisors and workers locally through training and retraining. The Administration considers it appropriate to continue to make full use of this channel to provide the required supervisors and workers, and has been working closely with CIC to implement a series of one-off measures to attract more people to receive training and re-training under various initiatives. Details of the proposed measures and comparison with the existing provisions of CIC are at **Annex C**. A summary of the proposed measures is set out below.

(a) Enhanced Construction Manpower Training Scheme – its objective is to attract more people to attend CIC’s training courses for trades with acute ageing problem, shortage, or with difficulty in recruiting trainees by providing trainees with an enhanced training allowance which will enable them to maintain basic living expenses during the training period. In collaboration with CIC and the industry, we are putting forward a scheme in which trainees in selected trades (to address the skill mismatch) will receive an

average monthly training allowance of \$5,000 (against \$2,000 per month at present) and on completion of training, firms participating in the scheme will employ them at a minimum salary of \$8,000 a month which will be increased to no less than \$10,000 a month after six months. We have received positive response from employers in the construction industry to take part in this scheme.

- (b) **Advanced training course for in-service senior construction workers** – it is a completely new course free of charge for in-service senior workers to equip them with language and basic management training. This will help them to advance to frontline supervisory / management level and with sufficient experience gained, enable them to take further supervisory level training courses to gain higher qualifications.
- (c) **Construction Supervisor / Technician Training Scheme** – its objective is to attract more people to join the Construction Supervisor / Technician Programme of CIC by offering trainees an enhanced daily training allowance of \$150 (against the current amount of \$105 per day).
- (d) **Subsidy for fees of trade tests and specified training courses** – according to registration figures of the Construction Workers Registration Authority, about 60% of the registered construction workers are general workers. However, it is estimated that some of the workers do possess prerequisite trade skills or experience to be registered as a skilled worker subject to passing the respective trade tests or attending the specified training courses¹. In this regard, for trades with acute ageing problem, shortage, or with difficulty in recruiting trainees, we propose to provide workers of such trades with a subsidy of \$500 to attend trade tests and/or another subsidy of \$500 to attend specified training courses in order to attract or encourage them to become registered skilled workers.

¹ Pursuant to s.41 of the Construction Workers Registration Ordinance (Cap. 583), experienced construction workers satisfying certain registration requirements may attain registered skilled workers qualification through attending a specified training course designated by the Construction Workers Registration Authority and passing the corresponding skill assessment.

(ii) Promotion and Publicity Activities to Attract New Entrants to the Construction Industry

10. The measures in paragraph 9 above will be supplemented by promotion and publicity activities on various fronts. This will enable more people to know about the construction industry and help to attract new entrants to the industry.

11. A breakdown of the estimated cost of \$100 million (referred to in paragraphs 9 and 10 above) for the proposed measures is at **Annex D**. The Administration has, in collaboration with CIC, started the consultation with the industry on the detailed arrangements for implementing the above proposed measures. We plan to seek funding approval from the LegCo Finance Committee in April/May 2010. Subject to availability of funds, we intend to implement the proposed measures this year and will continue over the next three years. We will closely monitor the response to the proposed measures and will adopt a flexible approach in the allocation of funds to the various proposed measures according to the prevailing labour market situation.

(iii) Measures to Improve the Practice of Construction Industry

12. We plan to introduce further measures into public works contracts to improve the practice of the construction industry by requiring contractors to implement measures to improve the site operating environment for workers, safeguard construction site safety and site cleanliness/tidiness, improve measures on security of payment and require contractors to provide uniform for site personnel. These measures will be pursued in the context of implementing capital works projects to be funded by the Capital Works Reserve Fund.

13. We have been working closely with CIC to implement the above measures. On the training and retraining front, CIC highly welcomes and supports the proposed measures and will increase investment from the Council's own resources to provide additional training and retraining places. CIC will also render its full support for the introduction of the best practices to improve the safety, working environment and conditions in the construction sites of the public works

projects.

(C) Land Supply

14. In response to rising property prices, the FS, in his recently announced Budget Speech, put forward two measures to fine-tune the land supply arrangements, amongst a package of measures to address possible asset bubbles, and the Secretary for Development released details of these two measures when announcing the 2010-11 Application List (AL) on 25 February 2010.

15. Our policy objective is to provide a steady supply of land to ensure the continuation of a fair and stable environment for the free and efficient operation of the property market.

16. One of the fine-tuning measures is that whilst upholding the market-driven AL system, we will introduce Government-initiated land auction or tender in a limited way. We have designated six urban residential sites in the 2010-11 AL, which we will, depending on the circumstances, put up for open auction or tender over the next two years if they have not been triggered for sale. As an illustration, we will put up one or two of them for open auction or tender once every five to six months. These six urban residential sites are located at Mt. Nicholson Road, the Peak; the junction of Fat Kwong Street and Chung Hau Street; Inverness Road, Kowloon Tong; Borrett Road, Mid-Levels West; the former Lingnan College site at Stubbs Road; and the ex-Government Supplies Depot site at Oil Street in North Point. Subject to design, these sites will produce an estimated 2,192 number of flats.

17. Another measure is to increase the supply of mass market flats through specific restrictions to be imposed in the Conditions of Sale. This is a new attempt to address the home ownership aspirations of the public at large and the demand for smaller units. We will, as a pilot, make use of a 1.2 hectares site in Yuen Long near the West Rail Long Ping Station (i.e. about 75% of the ex-Yuen Long Estate site) for this purpose, and specify in the Conditions of Sale the minimum number of units as well as the minimum and maximum size of flats. The site will be sold through open tender. The Government will in due course

conduct further internal analysis to determine the unit size to be specified.

18. Furthermore, we will liaise with the MTR Corporation Limited and the Urban Renewal Authority (URA) to increase the supply of mass market flats in respect of the West Rail property development projects and urban renewal projects. Taking the URA as an example, we and the URA announced on 24 February 2010 that the redevelopment project at Ma Tau Wai Road would provide 400 small units of size below 500 square feet.

(D) Additional Funding of \$500 million for Operation Building Bright

19. The Operation Building Bright (OBB) is a specific measure for “Preserving Jobs” amidst the 2008 financial tsunami that the Government, in collaboration with the Hong Kong Housing Society and URA, launched in May 2009 to provide subsidies and one-stop technical assistance to help owners of old and dilapidated buildings to carry out repair and maintenance works. To cater for the needs of buildings and owners under different situations, the OBB has been tailored to covers two categories of buildings -

- (a) Category 1 target buildings cover buildings with owners' corporations (OCs) established. They may apply for joining the OBB to carry out repair works on a voluntary basis; and
- (b) Category 2 target buildings are buildings having difficulties in co-ordinating repair works, such as buildings without OCs. If the owners of the buildings are unwilling or unable to conduct repair works by themselves, the Buildings Department (BD) will carry out the repair works on behalf of the owners. After deducting the amount of subsidies available under the OBB, the BD will take action to recover the remaining repair costs from the owners.

20. As at 5 March 2010, 1 015 Category 1 and 615 Category 2 target buildings have been included in the OBB. 267 buildings have had their projects commenced or completed. Repair works for other

buildings are undergoing tendering and coordination procedures and will be kick-started soon. Based on our estimation so far, after completion of the works in respect of all the eligible buildings, there will still be some uncommitted funds available for further deployment.

21. The FS has announced in the Budget this year that to provide timely assistance to more owners of old buildings to repair their properties, an additional funding of \$500 million be earmarked for the OBB to provide targeted assistance to those owners who cannot co-ordinate maintenance works on their own, including owners of dilapidated buildings without OCs.

22. We are reviewing the OBB, and will map out proposals to utilize the proposed additional funding of \$500 million as well as the remaining funds in the original \$2 billion. We will report to the LegCo Development Panel in mid-2010 on the details of the next phase of the Operation. In mapping out our way forward, we will consider the suggestions received from Members and stakeholders regarding the modus operandi, eligibility criteria and other aspects of the OBB.

(E) The Ma Tau Wai Redevelopment

23. The collapse of No. 45J Ma Tau Wai Road on 29 January 2010 and the serious damage to its immediate neighbouring buildings have significantly affected the living environment of those hundreds of households. The FS announced in his Budget Speech on 24 February 2010 that the URA would immediately commence a project to redevelop the site occupied by the collapsed building at 45J Ma Tau Wai Road and its adjacent buildings on Ma Tau Wai Road and Chun Tin Street to address the problem of building decay in the affected buildings and to provide relief to the affected residents. The project covers 33 private lots at Nos. 43, 43A, B, C, D, E, F, G, H and J and Nos. 45A, B, C, D, E, F, G, H and J, Ma Tai Wai Road; Nos. 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21 and 23 Chun Tin Street, and Nos. 6 and 8, Hok Yuen Street.

24. The commencement of the project was published in the Gazette on the day of the Budget Speech. A freezing survey was conducted immediately after the gazettal to ascertain the actual number of

households and their occupancy status. The URA has registered 329 households under the freezing survey. Another 21 domestic households have been found but have yet to be interviewed to ascertain their occupancy status. The number of households in another 18 units cannot be ascertained as the door-knocks have not been answered during the visit by the freezing survey teams. The URA has preliminarily classified these cases as vacant or non-accessible. The URA estimates that the total number of affected households in the region is about 368.

25. The URA announced that it would adopt special arrangements on an exceptional basis in this project to offer timely relief to the affected residents. Details are as set out below -

(a) Domestic Owner-occupiers

Barring objections that may be lodged against the project during the statutory two-month period (until 24 April), the URA is planning to make general acquisition offers in end-May 2010. If a surveyed owner-occupier indicates to the URA that he elects to leave before the URA's general acquisition offer, the URA will offer him an estimated market value of his property with a 30% deposit. The remaining 70% of the estimated market value of his flat can be paid within 45 days after the sale and purchase is completed. When the general offer is made to all owners after project approval, the owner-occupier will be paid the difference between the compensation cum ex-gratia payment based on the notional price of a 7-year replacement flat and the amount which he has already received.

(b) Domestic tenants

If a surveyed tenant elects to leave after the freezing survey and before the URA's issuance of general offer to his landlord, the URA will provide cash compensation or rehousing to the tenant if he is eligible. If the tenant so requests (likely under contractual obligation to his landlord) and the URA agrees, the URA will pay the rent on behalf of the tenant up to the natural expiry of his tenancy agreement or up to the date when the property is successfully purchased by the URA, whichever is the earlier.

(c) Non-domestic owner-occupiers

If a surveyed owner-occupier elects to cease business and leave before receipt of the URA's general acquisition offer tentatively scheduled in end-May 2010, the URA is willing to acquire his property and offer him a deposit at 30% of the estimated market value of his property. He will get the remaining 70% of the estimated market value of his shop within 45 days after the sale and purchase is completed. After project approval, the market value of the property will be re-assessed at the time of the general offer and the owner will be paid the difference between 135% of the re-assessed market value of the property and the amount he has already received.

(d) Non-domestic tenants

If a surveyed tenant wishes to leave before the URA's general offer of acquisition to his landlord, the URA will pay a special allowance to him, which is equivalent to 0.5 Ratable Value (RV) of his tenanted unit.

26. As some domestic owner-occupiers have expressed their wish to move back after the site is redeveloped, the URA will offer an Expression of Interest in Purchasing Arrangement to those eligible domestic owner-occupiers who wish to move back upon completion of the new development. These domestic owner-occupiers will be given priority to purchase a flat in the new development at market price when the development is complete. Further, non-domestic tenants and owner-occupiers on the ground floors will also be offered an opportunity to lease the commercial spaces in the new development at prevailing market rents.

27. To respond to the FS's concern over the supply of small-sized flats as mentioned in his Budget Speech, the URA will provide about 400 small units of below 500 square feet each to cater for the mass housing market in this project. The URA will develop the project on its own for better control of the development parameters and will not be partnering with private developers.

28. Adopting a district-based approach for this project, the URA consulted the Kowloon City District Council (KCDC) on 18 March 2010 on the planned provision of 500 square metres of at-grade public open space and possible use of the 1 000 square metres of Government/Institution and Community accommodation. The URA will take into account all the comments from the KCDC before the planning of the project is finalized.

29. The URA arranged a public meeting on 28 February to inform local residents on the planning aspects and the proposed special arrangements of this project. In addition, the URA also held five briefing sessions for all the affected owners and tenants on 4 and 5 March 2010 to explain to them the general compensation policy of the URA, the rehousing arrangements and the special arrangements for this project as described in paragraph 25(a) to (d) above.

30. So far, 127 affected tenants/owners have approached the URA on the special measures. The URA is following up on these cases.

31. The URA will continue to take forward the project in accordance with the Urban Renewal Authority Ordinance.

ADVICE SOUGHT

32. Members are invited to note the paper. In particular, to address the manpower challenge of the construction industry as early as possible, we propose to shortly seek the Finance Committee's approval of a non-recurrent commitment of \$100 million for the measures in paragraphs 9 and 10 above.

Development Bureau
March 2010

**Extract of the initiatives under the Development Bureau
as contained in the Budget Speech for 2010-11**

The Risk of Asset-Price Bubbles

25. Our first set of measures will address the fundamental issue of flat supply. Over the past few months, real estate developers have been more active in applying for sale of sites on the Application List, lease modifications and land exchanges. In response to the Government's request, the MTR Corporation Limited (MTR Corporation) and the Urban Renewal Authority (URA) have also quickened the pace of bringing residential sites to the market to increase the supply of flats in the coming few years. In 2010, the number of private residential units completed will increase to 14 300. In the coming three to four years, we estimate that about 53 000 private residential units will come onto the market. To further increase the supply of flats, we will introduce the following measures.

26. While we believe that the Government should maintain the market-driven Application List system as its principal mechanism for the sale of government land, improvement measures should be implemented to increase residential land supply. In this connection, the Government has drawn up the Application List for 2010-11 for application by the market. However, depending on market conditions, the Government will put up several urban residential sites in the List for sale by auction or tender in the coming two years if they have not been triggered.

27. In addition, we will liaise with the MTR Corporation and the URA to increase the supply of small and medium-sized residential flats in their West Rail property development projects and urban renewal projects respectively. We are also preparing to sell by open tender a site of about 1.2 hectares near the West Rail Long Ping Station in Yuen Long for private residential purpose, and will increase the supply of small and medium-sized flats by specifying in the land sale conditions requirements in terms of the minimum number of flats and the range of size of such units. The Secretary for Development will elaborate on these improvement measures when announcing the Application List for 2010-11.

33. It is the policy objective of the Government to ensure a healthy and stable development of the property market. The above measures

strike a balance between reducing the risk of a property bubble and preventing public policies from causing unnecessary fluctuations in the property market. It is very important to maintain this balance particularly at this point in time, in the face of uncertainties in the external environment. The Government and the regulatory bodies will continue to closely monitor the situation and take further measures when necessary.

Investing in Infrastructure

55. We will continue to invest heavily in infrastructure to promote economic development, create employment opportunities and enhance the long-term competitiveness of Hong Kong. In 2009-10, capital works expenditure reached \$45.1 billion. Construction works for the Hong Kong-Zhuhai-Macao Main Bridge, site formation works for the new cruise terminal, and the Central-Wan Chai Bypass project all began at end-2009. The works for the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project also started in January this year.

56. The estimated capital works expenditure for 2010-11 will increase to \$49.6 billion. Major works projects expected to start include the Kai Tak Cruise Terminal Building and ancillary facilities, Hong Kong-Zhuhai-Macao Bridge Hong Kong boundary crossing facilities, Harbour Area Treatment Scheme Stage 2A, and Town Park, Indoor Velodrome-cum-Sports Centre in Area 45 of Tseung Kwan O. With many projects entering their construction peaks, I estimate that the capital works expenditure for each of the next few years will be at an all-time high of over \$50 billion.

57. With the implementation of various projects including "Operation Building Bright", the employment situation in the construction sector has improved significantly. The unemployment rate of the sector has dropped continuously from its peak of 12.7 per cent last year to 7.4 per cent recently. On the other hand, we will closely monitor the construction industry's delivery capacity to avoid the bunching of projects that may result in an upsurge in wages and construction costs, or calls from the market for the importation of labour.

58. We are also mindful of the ageing problem and possible skills mismatch in the construction workforce. Currently, the Construction Industry Council (CIC) strives to attract more people, especially young people, to join the construction industry through training and trade testing. Furthermore, the CIC aims to enhance the skills and competitiveness of in-service construction workers and to uplift the image of the industry

through promotion and public education. Together with the industry, we will take the lead to introduce best practices in public works projects to further improve the safety, working environment and conditions in construction sites. I will also earmark \$100 million to support the CIC to strengthen the relevant work, and I expect that the CIC will increase its investment in tandem with this funding to provide the necessary incentives to attract more young people to join the construction industry and to improve the practice of the industry. We believe that these measures can help attract fresh blood to the industry and meet the manpower needs of future construction projects.

Revitalising Old Industrial Buildings

61. To promote the development of the six industries and inject new impetus into old industrial areas, the Chief Executive has put forward measures to revitalise old industrial buildings in his Policy Address. To facilitate the redevelopment or conversion of industrial buildings by owners, the Lands Department will set up a dedicated team on 1 April 2010 to process such applications centrally. Other departments involved will also exercise flexibility in considering applications for wholesale conversion of industrial buildings, taking into account the constraints of existing industrial buildings.

Promoting Building Maintenance

117. Last month, an old building at Ma Tau Wai Road, Hung Hom, collapsed. While the cause is still under investigation, the incident has aroused public concern over the problem of building safety. The responsibility for building maintenance rests with property owners. They must promptly carry out inspections and maintenance of their properties. In this connection, we hope that the legislative process of the relevant bill could be completed at the earliest possible time for the prompt implementation of the Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme.

118. In conjunction with the Hong Kong Housing Society and the URA, the Government has introduced a number of support measures in the past few years to provide property owners in need with technical and financial assistance for carrying out building repair and maintenance works. Last year, I launched the \$2 billion "Operation Building Bright" campaign to provide one-stop assistance for the repair and maintenance of about 2 000 buildings aged 30 years or above.

119. To provide timely assistance to more owners of old buildings to

repair their properties, I propose to allocate additional funding of \$500 million for "Operation Building Bright" to provide targeted assistance to those owners who cannot co-ordinate maintenance works on their own, including owners of dilapidated buildings without owners' corporations.

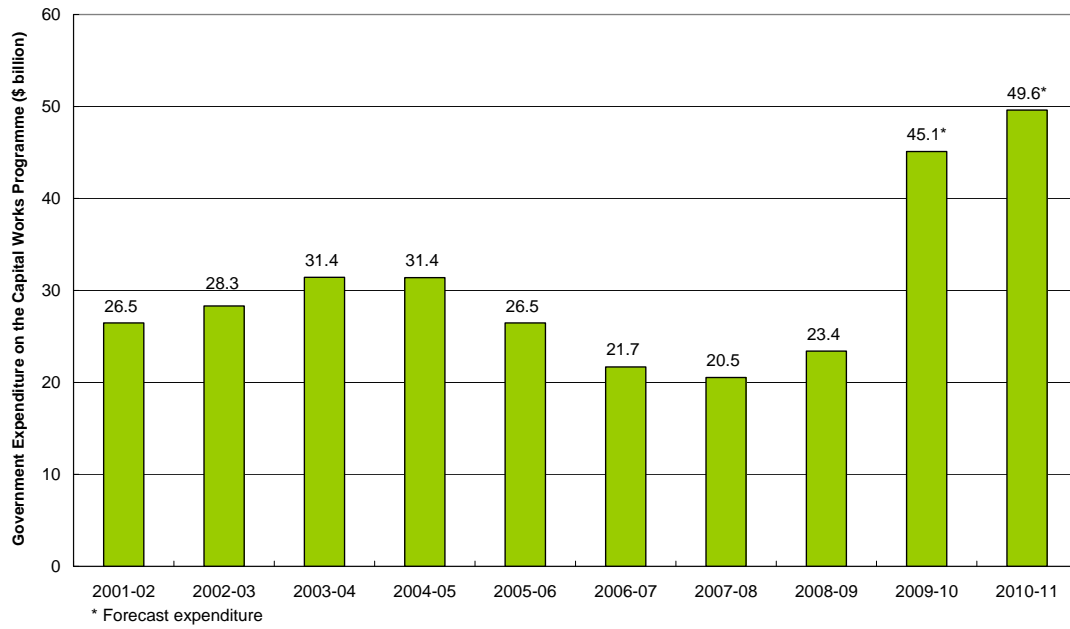
Redeveloping Old Areas

120. For aged buildings in disrepair in old areas, redevelopment is an option that can better improve the living environment of residents and protect public safety. To tackle the increasing number of old buildings, we need to review afresh the Urban Renewal Strategy and the role of the URA. The Development Bureau will complete the review of the Urban Renewal Strategy by the end of this year and map out new directions. In response to the redevelopment requests from owners of old buildings, we have also proposed to lower the compulsory sale application threshold for buildings aged 50 years or above from 90 to 80 per cent.

121. In order to resolve the problem of old buildings in disrepair in the vicinity of the collapsed building on Ma Tau Wai Road, and to improve the living environment of the hundreds of households there and relieve their fears and worries, I have agreed to the URA taking forward immediately a redevelopment project at that location. It will cover old buildings in 33 street numbers on Ma Tau Wai Road, Hok Yuen Street and Chun Tin Street. The URA will embark on the necessary freezing survey today.

o0o0o0o

Government Expenditure on the Capital Works Programme
(2001-02 to 2010-11)



**Comparison between the Proposed Measures
to Enhance Training and Re-training of Construction Personnel and
the Existing Provisions of the Construction Industry Council**

Existing Provision	Proposed Measures	Objectives of Measures
(a) Enhanced Construction Manpower Training Scheme		
<p>Trainees of full-time adult short courses of the Construction Industry Council (CIC) are entitled to a daily training allowance of \$90, equivalent to about \$2,000 per month, during the 2 to 13 week training period</p>	<ul style="list-style-type: none"> • Increase the training allowance to an average of \$5,000/month for trainee of <i>selected trades</i>. • Employers will be encouraged to employ graduates at a monthly salary of not less than \$8,000, which will further be raised to not less than \$10,000 after 6 months • Target no. of trainees – 3,000 in three years from 2010-11 	<p>Trainees can have reasonable income to support their living during the training period and know the estimated salary in the first year after graduation. This may encourage more people to come forward for training.</p>
(b) Advanced training course for in-service senior construction workers		
<p>New Course</p>	<ul style="list-style-type: none"> • To provide free language and basic management training courses to senior construction workers • Target no. of trainees – 1,500 in three years from 2010-11 	<p>Provide appropriate training to in-service senior construction workers to assist them in advancing to frontline supervisory / management level</p>

Existing Provision	Proposed Measures	Objectives of Measures
(c) Construction Supervisor / Technician Training Scheme		
<p>Trainees will receive a daily training allowance of about \$105 during the training period</p>	<ul style="list-style-type: none"> • Training allowance increased to \$150/day • Target no. of trainees – 600 in three years from 2010-11 	<p>To attract more people to join the training programme in order to meet the industry's demand for construction supervisor/ technician</p>
(d) Subsidy for fees of trade tests and specified training courses		
<ul style="list-style-type: none"> • Applicants for CIC's trade test have to pay a test fee. Most of trade tests are charged at \$500/test • Applicants for Specified Training Courses need to pay the course fee. Most of the courses are charged at \$500/class. 	<ul style="list-style-type: none"> • Applicants of selected trade tests will be subsidised by not more than \$500/test • Target no. of beneficiaries – 6,000 in three years from 2010-11 • Applicants for selected Specified Training Courses will be subsidised by not more than \$500/class • Target no. of beneficiaries – 6,000 in three years from 2010-11 	<ul style="list-style-type: none"> • To attract in-service construction workers possessing prerequisite trade skills to take the trade tests to produce more registered skilled workers • To attract in-service construction workers with prerequisite experience to attend the Specified Training Courses so as to enable them to qualify for registration as skilled workers

**Breakdown of Cost of the Proposed Measures to
Attract New Entrants to the Construction Industry**

	\$ million*
<i>Measures to Train and Re-train Construction Personnel</i>	
(a) Enhanced Construction Manpower Training Scheme	45
(b) Advancement training course for senior construction workers	3
(c) Enhanced training allowance of the Construction Supervisor / Technician Programme	20
(d) Subsidy for fees of trade tests and specified training courses	12
<i>Promotion and Publicity Activities to attract new entrants to the construction industry</i>	20
Total	100

* A flexible approach will be adopted in the allocation of funds to the various proposed measures.